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THE

REPORTS OF COMMITTEES

OF THE

HOUSE OF REPRESENTATIVES,

MADE DURING THE

THIRD SESSION OF THE FORTIETH CONGRESS.

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40TH CONGRESS, } HOUSE OF REPRESENTATIVES. { REPORT
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CONTRACT—OVERLAND PACIFIC MAILS.

FEBRUARY 27, 1869.—Laid on the table and ordered to be printed.

Mr. BROOMALL, from the Committee on Public Expenditures, made the following

REPORT.

The Committee on Public Expenditures, who were directed by resolution to inquire into and report to the House all the facts and circumstances concerning the contract with Wells, Fargo & Co., for carrying the United States mails between the termini of the Pacific railroads, the character of the contract, its terms, the probable cost of the service, and the manner in which the service has been and is being performed, respectfully make report:

That they have inquired into the several matters submitted to them, and in so doing have examined 28 witnesses and taken 345 pages of testimony, which, with H. Ex. Doc. 14, the letter from the Postmaster General in answer to a resolution of the House relative to the contract for carrying the overland mail, also put in evidence, is herewith submitted; and that they find the following facts and circumstances concerning the contract mentioned in the resolution:

The route in question connects the approaching termini of the Union and the Central Pacific railroads. On October 1, 1868, its length was 837 miles, and it was and is rapidly shortening as the said railroads approach a junction. By the act of March 25, 1864, all mail matter sent over this route was required to pay letter postage. Hence only the letter mail, some 400 or 500 pounds daily, was carried over this route; the remainder, consisting of books, documents, and periodicals, weighing about 2,000 pounds per day, being sent by sea.

For the year ending October 1, 1868, this overland mail was carried by Wells, Fargo & Co. Their contract being about to expire on that date, the Postmaster General, on the previous March 8, advertised for proposals for carrying the mails on this route, as well as others, designating this one as No. 16,635, and prescribing the term to be contracted for as commencing on October 1, 1868, and ending on June 30, 1870, the latter being the date at which it was then supposed the two railroads would meet.

The terms of the advertisement describing the route are as follows:

> 16,635. From Cheyenne, (Dakota,) or that point on the Union Pacific railroad to which the mails are being conveyed when this service goes into operation, by Laramie City, Fort Sanders, Elk Grove, Fort Bridger, (Utah,) Echo City, Coalville, Enterprise, Morgan, Hoytsville, Salt Lake City, Tooele, Stockton, Fairfield, Egan Cañon, (Nevada,) Ruby Valley, Austine, Clan Alpine, Saint Clair Station, and Stillwater, to Virginia City, 1,095 miles, and back, daily.

It was stipulated that the Postmaster General might "alter the schedule of departures and arrivals, and also order an increase of service by allowing therefor a *pro rata* increase on contract pay. He may also curtail or discontinue the service in whole or in part, at a proportionate decrease of pay, allowing as full indemnity to the contractor one month's extra compensation on the amount of service dispensed with, and a *pro rata* compensation for the service retained and continued."

Under the advertisement it was understood by all parties that the service required was to carry the mail between such points on the two railroads as the Postmaster General might designate, he requiring the railroads to be used for that purpose as far as practicable; and that the compensation should be decreased *pro rata* as the route should shorten, and cease altogether when the railroads should be open for mail transportation, if that event should happen before the end of the term to be contracted for.

This advertisement brought five bidders: Carlton Spaids, at $335,000 a year; Charles McLaughlin, at $350,000 a year; Charles A. Cooke, at $390,000 a year; Allman & Clarke, at $460,000 a year; and Wells, Fargo & Co., at $1,314,000.

The wide range between the last of these bids and the highest of the others is thus explained by the testimony. At the time of making the proposals a strong effort was being made to procure the repeal of the act of March 25, 1864, which would throw the entire Pacific coast mail upon this route. Wells, Fargo & Co. made their proposal upon the hypothesis that this effort would succeed. The other bids were made without reference to this contingency.

Carlton Spaids, being the lowest bidder and offering satisfactory sureties, the Post Office Department entered into a contract with him, (dated June 15, 1868,) for carrying the mails according to his proposal. This contract contained the following provisions:

> The route and service will be curtailed, at *pro rata* reduction of pay, as each fifty miles of the Union Pacific road is completed westward and the mail service ordered thereon.
>
> The department reserves the right to curtail the service at its western terminus when the Central Pacific road shall have progressed east a sufficient distance to warrant it in starting the western mails from a point on the railroad rather than from Virginia City.

It also required the contractor, in the usual words of such contracts, "to carry all the said mail, whatever may be its size, weight, or increase, during the term of the contract."

On June 25, 1868, Congress repealed the act of March 25, 1864, to take effect on the following September 30, and thereby opened this route to the entire mails for the Pacific coast. This was done against the earnest remonstrance of the chairman of the Committee on the Post Office and Post Roads of the House, (Mr. Farnsworth,) who professed to represent the views of the Post Office Department. He objected to the repeal of the law that it would vitiate or interfere with the contract already made, and would probably cost the government at the rate of $900,000 a year for the whole distance, by throwing so much mail-matter upon this difficult and expensive route.

It very soon became manifest that Mr. Spaids would not carry out his contract according to its terms. Indeed, he could not be expected to do it. His bid was based upon the letter mail alone, and the stipulated compensation was adequate to that. He had bound himself to carry all the increase, but when that increase was caused by the act of the government after the date of his contract, and amounted to four or five hundred per cent., he was certainly not morally bound to fulfil his contract, if, indeed, he could be legally held to it.

Under these circumstances two very proper courses of conduct were open to Mr. Spaids: first, to throw up his contract as soon as the act of Congress came to his knowledge; or, second, to carry the mail with the increase and to look to Congress for an appropriation to pay him the increase. But he did neither of these. On the contrary, he claimed the right to hold his contract and asked the Post Office Department to pay him *pro rata* for the increase, which he must have known it had no power to do; and thus he prevented the department from inviting new proposals under the changed condition of things.

The Postmaster General does not appear to have been anxious to force this hard bargain upon Mr. Spaids; but he insisted upon Mr. Spaids exercising his election at once, accepting the changed circumstances and looking to Congress for relief, or, on the other hand, retiring in time to enable new arrangements to be made. Hence, on July 18, 1868, the following letter was written to Mr. Spaids:

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., July 18, 1868.

SIR: The Postmaster General desires you to state to the department, in writing, whether it is your purpose to transport all the mails which may be necessary to be conveyed over the route No. 16,635, between Cheyenne, Dakota, or that point on the Union Pacific railroad to which the mails are being conveyed when your service goes into operation, and Virginia City, Nevada, under your accepted bid of $335,000 per annum.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq., *Chicago, Illinois.*

To this Mr. Spaids replied on September 12, as follows:

WASHINGTON, CITY, D. C., *September* 12, 1868.

SIR: Your favor of July 18, informing me that the Postmaster General desires me to state to the department, in writing, whether it is my purpose to transport all the mails which may be necessary to be carried over the route, No. 16,635, between Cheyenne, Dakota, or that point on the Union Pacific railroad to which the mails are being carried when my service goes into operation, and Virginia City, Nevada, under my accepted bid of $335,000 per annum, was received by me in Chicago, Illinois, on the 8th instant; a certificate of the postmaster will account for the delay in the delivery of the letter to me when called for, showing it to be the fault of the office, and not mine. I regret the delay which has prevented me from answering this singular and unusual desire of the department in this case, but will now give a plain, and, I hope, satisfactory one:

1st. I purpose and am fully prepared to transport all the mail that the department has a right to require to be transported under the advertisement inviting proposals for route No. 16,635, and awarded to me on the 12th of June, 1868, in accordance with the conditions of said advertisement.

2d. That after the contract was awarded, viz, on the 12th day of June, Congress passed a law repealing an act which gave direction to the documentary and newspaper mails for the Pacific coast, viz, by the Isthmus route. By the repeal of this law by Congress the whole, or I may say nearly all, of this class of mail matter will be thrown upon this route.

3d. That for every pound of mail matter thrown upon this route in consequence of the legislation of Congress referred to above, I shall expect from the department pro rata pay in accordance with the law and regulations of the department in such cases made and provided, and in conformity with the conditions set forth in said advertisement.

Will the department inform me, as near as possible, the amount of additional mail matter thrown upon this route by the act of Congress referred to, since the contract was awarded, and the additional amount of pay for which the department is responsible in consequence of the additional service.

An immediate answer will very much oblige your respectful and obedient servant,

CARLTON SPAIDS.

Hon. GEO. W. McLELLAN,
Second Asst. Postmaster General, U. S. P. O. Department.

This seems to have satisfied the department that Mr. Spaids intended to assume the risk and carry the mails, looking to Congress for his remedy, hence the following letter of September 16:

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., September 16, 1868.

SIR: The Postmaster General directs me to acknowledge the receipt of your communication of the 12th instant, announcing that you purpose and are fully prepared to transport all the mail that the department has a right to require to be transported under the advertisement inviting proposals for route No. 16,635, awarded to you on the 12th of June, 1868, in accordance with the conditions of the advertisement, in answer to an inquiry addressed to you on the subject from this office on the 18th July last.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq.

The letters of September 18 and 29 close the correspondence. In the latter of these it will be seen that Mr. Spaids abandons his contract:

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, September 18, 1868.

SIR: To yours of yesterday the Postmaster General directs me to reply, that the department will expect you to carry the mail on route 16,635 strictly according to the terms of your contract, "using therefor such means as may be necessary to transport the whole of said mail, whatever may be its size or weight." You have heretofore been furnished with all the information in the possession of the department respecting the weight of the mails conveyed on the route.

The postmaster at Salt Lake City has been instructed to continue to weigh the mails daily until further ordered, and report the results to the department. His reports, when received, will be transcribed for your information if desired.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq.

WASHINGTON, D. C., *September* 29, 1868.

SIR: Having received no answer to that part of my last communication asking the department to inform me as near as possible the amount of mail matter thrown upon the route No. 16,635, by the act repealing the act of Congress approved March 25, 1864, referred to in that communication, whether the department will pay quarterly, according to the conditions of the contract, pro rata pay for the additional service, I have come to the conclusion that the Postmaster General has purposely neglected to give me the desired information until it should be too late to be of any service to me in completing my arrangements for stocking the road, and the only course left for me in the absence of the required information, and the uncertainty in relation to the course to be pursued by the Postmaster General, is to decline to transport any mail over this route, until the payment for such service shall be settled definitely by the department or by Congress From the best information I have been able to get, the mail matter thrown upon this route by the act of Congress referred to, after the contract was awarded, and which was not considered either by the department or myself, will amount to more than three times in weight of the ordinary mail transported over this route, or that would be during the continuance of the contract, were it not for the act of Congress referred to. This legislation not having been anticipated at the time the contract was advertised and awarded, and the department having declined to take any responsibility in the matter, I ask to have the time named in the contract to commence the service extended until the 1st day of January, 1869, so that this question can be definitely settled by Congress, before the service will commence, or, if more satisfactory to the department, to re-advertise the route, so that bidders can fully understand the service to be performed. This will be satisfactory to me, and I understand this course has been suggested by the Postmaster General.

I am, very respectfully, your obedient servant,

CARLTON SPAIDS.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

The committee are of opinion that injustice was done to Mr. Spaids by the act of Congress, without fault on the part of the Postmaster General; and if he had retired at once, on being informed of the legislation affecting his contract, and suffered the department to open the matter again to competition, he might again have been the lowest bidder; if not, he might have had an equitable claim upon Congress for reimbursement of outlay and perhaps for the loss of his bargain; but he has forfeited all claim to consideration by standing in the way of other arrangments until two days before he should have commenced carrying the mails.

Fortunately for him, however, he incurred little or no expense in the premises. There is no evidence that he purchased a single horse or stage-coach, and up to September 26, the information at the department, furnished by the following telegram, was that Mr. Spaids had done nothing:

[Telegram.—Received September 26, 1868.]

SALT LAKE CITY, *September* 26, 1868.

Hon. GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Overland mail contract expires September 30. No preparations made by new contractors to transport mail that I can learn of What is to be done? Mail will accumulate terribly.

JOHN W. CLAMPITT,
Special Agent Post Office Department.

Left in this way, with a contract for carrying several thousand pounds of mail matter daily over a difficult and dangerous route of more than 800 miles, abandoned two days before the service under it was to commence, what was the Postmaster General to do? A single week would store up tons of mail matter at the terminus of each division of the railroad. He might have paid no attention to the act of Congress. He might have forced the paper mail to go by sea and suffered Mr. Spaids to carry the letter mail according to his contract as it stood when he entered into it. This might have saved the government some money, but no public officer could be asked or expected to assume so serious a responsibility.

It was absurd at that late day to think of advertising for new proposals. The mails could not be stopped even for 30 days, and it would have required months to advertise, receive, and consider proposals, and enable a new contractor to stock the route.

Under these circumstances the Postmaster General did the only thing he could do. He made a temporary arrangement with the old contractors, Wells, Fargo & Co., to continue the service, promising them the same compensation he should be obliged to give any future contractors he might bargain with. This arrangement was made about October 1, 1868.

The following correspondence is interesting. It will show the necessity for doing something, and the difficulty of doing anything other than what was done:

POST OFFICE, SALT LAKE CITY,
September 30, 1868.

Hon. GEO. W. McLELLAN, *Second Assistant Postmaster General:*

I hear of no preparation by the contractor to carry mail by overland route. As new contract commences to-morrow, please instruct me in the premises.

A. W. STREET, *Postmaster.*

[Telegram.—Received October 1, 1868.]

SALT LAKE, UTAH, *October* 1, 1868.

Hon. GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Contractor has failed to appear in person or by agent for the mail. Reasons not known.

A. W. STREET, *Postmaster.*

[Telegram.—Received October 1, 1868.]

SALT LAKE, UTAH, *October* 1, 1868.

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Contractors have failed to appear. Shall I employ temporary service?

JOHN W. CLAMPITT,
Special Agent Post Office Department.

SALT LAKE CITY, *October* 1, 1868.

The contractor on route 16,635 having failed to appear in person or by his agent for the mail, and James J. Tracy, general superintendent of Wells, Fargo & Co., having notified me that they have been instructed by the department, through Mr. Barry, vice-president of the company, to continue carrying the mails as usual, and as the exigencies of the service demand the immediate transportation of the mails now accumulated at the Salt Lake office, therefore you will deliver the mails going east and west on this route to Wells, Fargo & Co., to be transported as usual.

JOHN W. CLAMPITT,
Special Agent Post Office Department.

A. W. STREET, Esq., *Postmaster Salt Lake City.*

On October 9, 1868, the department received the following notice from the temporary contractors:

WASHINGTON, *October* 9, 1868.

SIR: Agreeably to the request of the Post Office Department our company (Wells, Fargo & Co.) have transported the United States mails on the overland route between the two ends of the Pacific railroads from October 1 to the present date. In justice to ourselves we beg leave to say that we cannot continue this temporary service longer than the 10th instant, of which you will please take notice.

Yours, respectfully,

GEORGE K. OTIS,
Secretary of Wells, Fargo & Co.

Hon. A. W. RANDALL,
Postmaster General, Washington, D. C.

The mails, however, continued to be carried somewhat irregularly, notwithstanding the positive terms of this notice.

At the time of making the temporary arrangement, Wells, Fargo & Co. offered to "carry the mails daily for one year from date, or until the two railroads meet, at the rate of $1,750,000 per annum, subject to deductions *pro rata* for every section of 50 miles of railroad completed and reported to the Post Office Department ready to carry the mails." This proposition was held under advisement until October 21, 1868, and then accepted.

It is in making this arrangement that the Postmaster General is charged with having acted improperly, and, by intimation, corruptly. After a careful examination of the whole matter the committee have been unable to find anything in the testimony to warrant either the intimation or the charge. The correspondence of the department contained in the document referred to and herewith reported shows that various attempts were made with different parties to procure the service to be performed upon better terms, all of which failed.

Nearly all the witnesses who were examined were called on the part of those who make this charge, and at their instance. Mr. Spaids, the original contractor, appeared before the committee, testified himself, and furnished the names of some 15 witnesses to support the charge. All of these were subpœnaed and examined except two, the elder Mr. Spaids, the father of the contractor, being present at the examination and being permitted to furnish all the questions he desired to be asked the witnesses.

One of the witnesses not subpœnaed, residing at Denver City, some 2,000 miles distant, was asked to be called by the elder Mr. Spaids to corroborate his own testimony as to a fact which he had already sworn to, which was not denied or impeached, and which, in the judgment of the committee, was wholly immaterial to the issue. The other witness resides in San Francisco. The committee could not learn that this witness knew any fact material to the investigation.

The committee were requested to call Winfield Scott Smith, a newspaper correspondent in Washington, who, it was alleged, professed to have some knowledge upon the subject. He was accordingly subpœnaed. At his first examination, being requested to "state what he knew about the making of the contract" and his means of knowledge, he said, "My means of knowledge I consider very good; in relation to the Wells, Fargo & Co. contract I would state that I suppose I was the first one to make any charge about it through the papers." He said his information was obtained from persons in the Post Office Department. He stated that there were a great many of these persons; that he could not give their names nor what each would testify, because he had not his memoranda with him; but that he would return the next day and furnish the committee with the names of his witnesses.

This looked promising; but the next day the witness swore that he knew nothing whatever about the matter, and knew nobody from whom the committee could get information, except those already examined. He said he had seen some of his witnesses; that they told him they had no information whatever upon the subject, and that he believed them. He, however, gave the names of three of his witnesses. These men were called and examined, and they swore that they knew nothing about the matter affecting the Post Office Department, except what they had heard from Smith himself, and from common rumor; and further, that they knew nobody who had any such knowledge. They also swore that they had no reason to suspect any improper conduct in the premises on the part of the Postmaster General, or anybody connected with his department. Having thus traced the charges to their source, the committee abandoned this part of the investigation.

The next branch of the resolution directs the committee to report the probable cost to the government of carrying the mails over the route in question. On this point the testimony discloses the fact that the two railroads are approaching a junction much more rapidly than was supposed possible on March 8, 1868, the date of the original advertisement, or on October 1, 1868, when the present term of service began. Indeed, the progress made at any point of time seems to have been greater than was supposed possible a short time prior. On March 8, 1868, the date of completion was fixed at June 30, 1870; on October 1, 1868, the date was fixed at October 1, 1869; on December 16, 1868, the Postmaster General, in the document already referred to, supposed the roads would be completed on July 31, 1869. Now, according to the testimony, the committee are led to believe the united roads will be in full operation on the 1st of June next.

The contract price is to be abated pro rata for every 50 miles of shortening of the route by the completion of the railroads. From this unanticipated rapidity of progress two results follow:

First. The contract is less profitable to the contractors than was supposed at the time of making it; because the same outlay had to be made for a much shorter period of service than was contemplated. This unexpected rapidity of progress is alleged as a reason why Wells, Fargo & Co., who were willing on March 8, 1868, to take the contract at $1,314,000 a year, refused on October 1, 1868, to perform the service for less than $1,750,000 a year. Whether this was the true reason, or whether that company knew the department could do no better, in fact could get nobody else to undertake the service at all, and hence felt themselves in a position to drive a hard bargain, is matter for conjecture. If the latter, the company was fortunate and the department unfortunate in the fact that Mr. Spaids failed, either to perform his contract or to relinquish it in time to obtain other proposals. It is fair to say here that one of the witnesses gives another reason for the difference between the price asked by Wells, Fargo & Co. in March and that in October. It is this: in March the road was stocked, whereas in October the stock had been suffered to fall off, preparatory to quitting; and it requires much less expense to continue a mail contract than to commence under one anew.

The other result is that the cost to the government will be greatly less than was anticipated on October 1, 1868, or even on December 16, following. On the latter date the Postmaster General estimated the entire cost to the government at $670,144. From the testimony the committee now believe the cost will be about $500,000. The road is already completed as far as the Postmaster General in his estimate supposed it would be on the 1st of June next, the distance between the termini being now about 200 miles.

The last branch of the inquiry is in what manner the contractors have been and now are carrying out their contract. On this point the committee examined many witnesses, but were unable to obtain much more information than is contained in the answer of the Postmaster General already referred to.

For some two months after October 1, 1868, there were many and serious complaints of the manner in which the mails were being transported. One witness testified that he and others were obliged to send their mail matter to the Pacific coast by sea, on account of losses and injuries on the route in question, arising from the negligence of the agents of the contractors, and from the want of sufficient means of transportation. The committee have not been able to ascertain that any serious complaints have been made since the beginning of the present year.

These delinquencies are attempted to be explained on the part of the contractors by the allegation that towards the end of their former term their stock was allowed to go down under the impression that it would not be needed after October 1, 1868, and that it required time to replenish it; and further that the railroads are being made in places upon their mail route, making it difficult and dangerous to transport heavy loads. The contractors, however, had undertaken to furnish sufficient stock, and to carry the mails "with celerity, certainty, and security." The difficulties they encountered were only those they had obligated themselves to overcome.

It appears in evidence that about $47,000 have been withheld from the contractors on account of these alleged delinquencies. This, with the amount accruing since the commencement of the present quarter, making nearly $100,000 in all, one of the witnesses tells us will be amply sufficient to cover all possible delinquencies. The whole matter is one for future adjustment by the proper officers of the Post Office Department, who have ample power by law to impose fines and to abate compensation according to what they may deem equity and justice. The committee have found in the testimony taken no reason to fear that the interests of the government in the premises will be sacrificed by the Post Office Department.

Those who complain of the immense expense of carrying this mail for the term contracted for, even when that expense is reduced to $500,000 by the shortening of the route, and who affect to see some fault in the premises, in the Post Office Department, fail to remember that this great expense was caused by the act of Congress already referred to, passed against the remonstrance of the department. The letter mail alone could have been carried for the term, for $125,000, and would have been but for the interference of Congress after the contract with Mr. Spaids was made. This $335,000 a year to be abated *pro rata*, for the shortening of the distance and the time, would have amounted to about $125,000 for the term ending when the railroads meet. These complainants also fail to remember that if Mr. Spaids had been allowed to go on with his contract, receiving what he demanded, *pro rata* compensation for the increase of mail matter put upon him by the act of Congress, he would have received more than will be paid to Wells, Fargo & Co., according to the best estimates the committee have been able to make from all the evidence before them.

The committee therefore recommend the passage of the following resolution:

Resolved, That the Committee on Public Expenditures be discharged from the further consideration of the subject.

By order of the committee:

J. M. BROOMALL,
Chairman pro tem.

WASHINGTON, D. C., *January* 28, 1869.

GEORGE K. OTIS sworn and examined.

By Mr. BROOMALL:

Q. State your residence and occupation.

A. I reside at 55 Taylor street, Brooklyn. I am secretary of Wells, Fargo & Co.

Q. State of whom that company consists.

A. It is a stock company.

Q. How many stockholders?

A. I should say 1,500, perhaps.

Q. Chartered under the laws of the State of New York?

A. Chartered under the Territory laws of Colorado, with a capital of $10,000,000.

Q. What is its business?

A. It is a banking and express company and carries mails.

Q. Where is the stock chiefly held?

A. All over the country. It would be very difficult to say where. Probably sixty or seventy thousand out of 100,000 shares are held in New York.

Q. What is the place of business of the company?

A. The principal office is 84 Broadway, New York. Then we have offices all over the country.

Q. You are now in Washington. Where are you staying?

A. With Governor Randall, the Postmaster General.

Q. How long have you been there?

A. I came, I think, a week ago on Monday.

Q. Were you served with a summons to attend this committee before yesterday?

A. No, sir.

Q. No subpœna had been left at your lodgings?

A. None that I have seen.

Q. Wells, Fargo & Co. are carrying the mails between the termini of the Pacific railroad under a contract with the government?

A. Yes, sir. I don't know that you would call it a contract. We made a proposition to carry the mails and the proposition was accepted. There is no written contract other than that.

Q. What was the proposition?

A. We agreed to carry the mails for $1,750,000 from the two ends of the railroad, subject to a deduction for every 50 miles of railroad completed.

Q. Was that proposition made through you?

A. Yes, sir.

Q. Where were you at the time you made the proposition?

A. In Washington.

Q. Where were you stopping?

A. At 29 Indiana avenue.

Q. Not at Governor Randall's then?

A. No; my room is on Indiana avenue.

Q. Will you state when that proposition was made?

A. I cannot give the date exactly. I do not remember the date. It was some ten or twelve days after the old contract expired.

Q. Were all the negotiations between the department and Wells, Fargo & Co. conducted through you?

A. No, sir. I may say that I was assisted by Mr. Barney. I was privy to all that took place.

Q. State all that took place leading to that result, commencing with your bid in the first instance, and following down to the acceptance of your proposition which you have stated?

A. When the time for bidding for these mails arrived, Louis McLane, president of the company, Benjamin P. Cheeney, of Boston, one of the directors, and myself, came to Washington. We figured up what we thought was a fair price for carrying the mail, went into very close calculations as to what the weight of the mails would be, what the cost of carrying them would be, and what we could afford to carry them for, and we made a bid for, I think, $1,314,000. The bid was put in, and when the bids were opened, Mr. Spaids was the lowest bidder. We then went back home. I came on to Washington at the time the Joint Committees on Post Offices and Post Roads of the House and Senate met in the department in regard to these bids, and was present at that meeting. I stated that I did not think it was possible for any man to carry the mails for $335,000; that our bid was a bid made to do the service; and that I did not think Mr. Spaids would carry out his contract. I think that was all that occurred at that time.

Q. Was your bid based upon the then probable increase of the mail?

A. Yes, sir.

Q. Do you know whether Mr. Spaids's bid was also?

A. I really can't say as to that. I don't know. That was all that occurred, I believe, up to the 1st of October. Mr. Spaids did not appear, and the Postmaster General requested me to continue to carry the mails until he could make an arrangement with somebody. He wanted to know what I would carry them for. I told him $1,750,000. He would not hear to it at all. That proposition contained a *pro rata* clause cutting off for every 50 miles of railroad completed. We continued to carry the mails until October the 10th, when our people decided to throw them down unless a contract was made. The mails were thrown down. At the request of the department we took them up again; but I insisted on the department either letting us know whether they would make a contract with us or not, so that we could make our arrangements accordingly.

Q. How long did you discontinue carrying the mails?

A. I think two days. Orders went out on the 11th to resume, and it may have been two days after that before they got them going again. I do not remember exactly how that was. The contract was offered to us at Mr. Spaids's bid. I declined it. It was less than one-third of our bid. I would not even take it then at our original bid of $1,314,000. We could have carried the mail if the contract had been awarded to us at $1,314,000, and that would have been cheaper for us than to have carried it commencing when we did at $1,750,000. The time that elapsed up to that date would have enabled us to have our supplies on hand, so that we could have carried the mails at that price. I also stated to the post office committee that in the case of Mr. Spaids's failure, which I was very well satisfied would take place—for I did not suppose that any man who knew anything about that country would undertake to carry the mail at that price—that in case they were obliged to come to us to carry the mail I should charge them a great deal more than $1,314,000, because the difficulty would be so great of obtaining supplies. Governor Randall, I believe, called a meeting at the Astor House, New York, on the 22d of October. Quite a number of prominent gentlemen were there: Governor Morgan, of New York; Senator Cole, of California; Mr. Sherman, of New York; Postmaster Kelly, of New York; W. H. Fogg, the china merchant, of New York; Senator Corbitt, of Oregon; D. N. Barney, and A. H. Barny, Johnston Livingston, Eugene Kelly, Horace Greeley, Mr. McLellan, Second Assistant Postmaster General; and one other gentleman, whose name I now forget, but who was connected with the New York post office. Governor Randall told the gentlemen that he had sent for them to consult about the matter; that Wells, Fargo & Co. had made a proposition to carry the mails as stated; that Brigham Young had made a proposition; that Mr. Durant, for the Pacific railroad, had made a proposition; and that one had been made by Mr. McLaughlin, of California. He desired their advice as to what he should do in the matter; whether he should throw the mails down, or make the best contract he could. The matter was very fully discussed. Mr. Greeley, having crossed the plains, was well posted as to the country and as to the expense, and went into the question very minutely as to the cost estimated by us. The upshot of the whole matter was, that Mr. Greeley and all the gentlemen told the Postmaster General they thought Wells, Fargo & Co.'s proposition was the best one for the government; that the mails must not be thrown down, but must be carried; that with a cutting off of 50 miles, as the road progressed, they did not think it was paying too large a sum for the service. Whereupon the Postmaster General accepted the proposition, the compensation to date as of the 1st of October. These, I believe, are the facts.

Q. That contract, you say, has not been reduced to writing?

A. Only so far as you see it printed in the report. He simply wrote on our proposition, "Accept this proposition."

Q. I see that on the 9th of October you wrote a letter to the department, notifying them that you would discontinue the temporary service on the 10th. Were you in Washington at that time?

A. Yes, sir.

Q. Were you in constant communication with the Postmaster General?

A. Yes, sir.

Q. How long had you been in constant communication with him prior to that time?

A. I could not say. When I was in Washington I saw him every day.

Q. How long had you been in Washington before October the 9th?

A. I could not say. Generally I would be here a couple of days at a time, and sometimes I came over once or twice a week; sometimes not so often.

Q. Was this letter written in the Post Office Department.

A. Yes, sir.

Q. In the Postmaster General's room.

A. No, sir.

Q. Was it written after conference with the Postmaster General?

A. Yes, sir. I showed him a despatch from our people and asked his advice, whether he wanted me to do it. He said he did not know anything about our business; that he did not want the mails thrown down if he could help it.

Q. Is he a stockholder of your company?

A. Not that I am aware of.

Q. Would you know it if he was?

A. I would if he had stock in his own name. He may have 10,000 shares in the name of some one else, for aught that I know.

Q. Do I understand you that he has no stock in his own name?

A. He has none in his own name or in the name of any member of his family, that I am aware of.

Q. Do you know of any member of Congress or any officer of the government being a stockholder in your company or in any way interested in this matter?

A. No, sir.

Q. Do you know that there are none such?

A. There are none to my knowledge.

Q. You say that McLaughlin was one of those whose proposition to carry the mails was spoken of at this meeting at New York. He had proposed to carry them for $460,000, had he not?

A. I really do not recollect what his bid was. I think it was $550,000.

Q. He was not there?

A. No, sir. He was in Washington at the original bidding; he was not at this meeting in New York.

Q. Do you know whether he had any notice of the meeting?

A. I do not.

Q. What objection, if any, was made to his proposition?

A. His proposition was to take the contract after 30 days. He could not start it unless he had 30 days' notice, which would have made a very large accumulation of mail.

Q. Who objected to his proposition?

A. Everybody objected to an accumulation of mail for 30 days; I do not think there was a dissenting voice.

Q. The committee have heard some complaints made of the manner in which the mails were carried by your company. Do you know anything about that?

A. Not of my personal knowledge; I have not been on the road.

Q. Had there been any complaints made to the company?

A. None except through the Post Office Department. We received a letter from Mr. McLellan.

Q. Up to the date of this report, which is the 7th or the 8th of the present month, all complaints so far as you know appear in this report?

A. As far as I know, they do.

Q. Have you been across the route since the 1st of October?

A. No, sir; it has been some two years since I went across.

Q. It has been said here that certain parties in San Francisco have been obliged to require their mail to be carried by sea, as it used to be, in consequence of the uncertainty of receiving it through your company. Do you know anything about that?

A. No, sir.

Q. You do not know that the department has been induced to send a portion of the mail by sea?

A. No, sir. There is a mail which goes by every steamer; what it is I do not know.

Q. Do you know any reason why it should be sent by sea, when the carrying of it by land is included in your contract?

A. I do not know of any reason. It is almost impossible to transport books on coaches through that country without injuring them very much. The constant grinding of the coach and working of the books will always injure them more or less.

Q. You say that you were satisfied that Mr. Spaids could not carry the mails under this contract. Could he not carry the mails under the law as it existed at the time his bid was made requiring only the letter mail to be carried by that route?

A. No, sir; he could not.

Q. Do you know what portion of the mail now carried is letter mail?

A. The amount of letter mail we carry under the old contract averages from 1,500 to 2,500 pounds a day. The average weight of the mail we now carry is 4,500 to 7,000 pounds. We have had delivered to us at one time as high as 19,000 pounds, and very frequently 6,000 pounds, or three tons.

Q. Had you any interview with Mr. Spaids about his contract, after his bid was accepted?

A. Yes; I had several interviews with Mr. Spaids. At the first one he wanted to know if we would sell him our stock. I told him we would. This was in the Post Office Department, shortly after the contract had been awarded to him. I told him he had better go over and see our people in New York; that as we were not to carry the mails we had no use for our stock. He came over to New York, and was there three or four times. He had several interviews with Mr. Barney, our vice-president, at which I was not present; and he and I talked several times about it. The matter was finally turned over to Mr. Barney, and what occurred between Mr. Barney and Mr. Spaids, I do not know of my own knowledge. The contract was offered to us for purchase; not, however, by Mr. Spaids, but through Mr. Hobbs, who represented Mr. Spaids. I told him that I did not consider that Mr. Spaids had anything to sell; that of course we could not buy his contract; that we would not take his contract with a large amount of money upon the top of it, because it could not be carried out at that price. That is about the amount of the interview that has taken place between Mr. Spaids and myself.

Q. You believed from the commencement that Mr. Spaids would not comply with his bargain?

A. I believed that he could not. I have been in the business since 1861, and I know pretty well the cost of carrying the mails over that route.

Q. You held yourself in readiness, in the event of his failure, to take advantage of it for the company you are interested in?

A. We are a company that does business on the fair and square; we do not propose to take advantage of anybody; we will make a good bargain whenever we can, and get what we can; but as to ever intending to take advantage of the government or anybody else, we do not propose to do it.

Q. You held yourself in readiness to take advantage of the failure of Mr. Spaids, whenever the opportunity arose?

A. You may put it in that way, if you please.

Q. Is that a fact?

A. I would not admit that we held ourselves in readiness to take advantage of Mr. Spaids or anybody else.

Q. I did not say, take an unfair advantage; I mean, to take advantage of the fact that the contractor probably could not comply with his contract.

A. We intended to take no unfair advantage of anybody. Our company would take the opportunity to make all the money it could in an open and fair way. I think the course our company pursued towards the government and the Post Office Department, in not throwing the mails down when their contract expired, shows that we did not propose to take advantage of the Post Office Department at all, in any way. They had no reason to expect that we should carry the mails after our contract had expired; and in simply giving them that time after our contract had expired. we were giving them a stick to break our own heads with, if parties could be found who had the means to carry the mails. We could have pursued a very much closer course than we did, by throwing down the mails; but we do not do business with the government in that way. We have had a great many very large contracts, and have always carried them out faithfully on our part.

Q. How many contracts have you with the government?

A. I think three, four, or five.

Q. What are they, besides this one?

A. We have a contract from Smoky Hill and Cheyenne Mills to Sheridan and Denver; from Denver to Cheyenne; from Salt Lake to Virginia City, Montana; from Virginia City to Helena; from Helena to Fort Benton; from Denver to Central City; and from Central City to Georgetown.

Q. All these other contracts were the results of competition with other parties; you being the successful bidder?

A. Yes, sir.

Q. Do you know of any successful efforts upon the part of any of your company or of any officer of the government to crowd out Mr. Spaids?

A. No, sir; we offered to sell Mr. Spaids our stock and stations; I do not think that was an attempt to crowd him out.

By Mr. PETERS:

Q. What would have been the value of your stock and stations which you would have sold him for the purpose of carrying out his contract?

A. It would have cost in the neighborhood of $1,000,000 to purchase property sufficient to have carried this mail.

By Mr. BROOMALL:

Q. What do you know of the grounds of complaint through your agents in carrying the mails?

A. I do not think there is any ground, as far as our agents report; we have been laboring, of course, under very serious difficulty in carrying these mails; the mails were crowded on much heavier than we anticipated; the snows on the Union Pacific road delayed the trains sometimes for three or four days, bringing in three or four days' mail at the same time, and, as I said, brought us as high as 19,000 pounds in one day, making it impossible for any contractor to pick up the mail as it came along and carry it without delay, and with absolute regularity, I do not care what his wealth may be. There was not stock in that country for more service than we were prepared to do; we estimated the mail at from 4,500 to 6,000 pounds, and made arrangements to carry that amount regularly every day.

Q. What prevented you from bargaining with Mr. Spaids for the sale of your stock?

A. As far as I know his want of money, which I believe is a pretty good bar to a bargain. He may have had a great deal of money; I did not think he had. At any rate, the inquiries made were not sufficiently satisfactory to induce us to sell on time.

Q. Had you agreed on the price?

A. No price was ever fixed; our proposition was, if he wanted to buy, that he should select a man, and we select a man, they to select the third, and whatever valuation was fixed upon the property, he was to have it at that price.

Q. Your offer was for the whole amount of stock. Did he propose to buy any part of it?

A. He did; he wanted to buy one string; we would not sell one string; we proposed, if we did not carry the mails to go out of the business; and if we had had the slightest idea that the railroad was going to advance as rapidly as it has, we would never have submitted to any terms such as those on which we are now carrying the mails.

Q. Do you mean to say you will lose by the present contract?

A. My impression is that we shall not make a dollar; we cannot tell accurately in regard to that until the year expires.

Q. At the rate the railroad has advanced, under the terms of your contract, cutting off a certain amount for every 50 miles of progress on the part of the railroad, can you tell now what you will probably receive under the contract?

A. As far as we have been able to judge, I do not think we will receive $600,000 for the entire services.

By Mr. PETERS:

Q. Has the rapid advance of the railroad had the effect of throwing property on your hands at less than cost?

A. Yes, sir; our stations are almost entirely valueless. We cannot occupy them, and there are no settlements in the country. For instance, the station at Virginia Dale cost us $30,000, and we received the other day an offer for it, which we shall probably accept, of $1,000. Many of our stations cost us $5,000, which are not worth a dollar.

By Mr. PLANTS:

Q. Does the railroad follow your track generally?

A. On this end it has followed it exactly, and it has damaged us very much. In these narrow cañons we have had to run right over the grade they were making, and it has been almost impossible for any amount of stock to carry a loaded coach through, and not only impossible but very dangerous from tipping over coaches and smashing things generally. We have had a good many accidents of this nature, and have been largely damaged in that way.

Q. Your entire carrying trade will be broken up when the railroad is completed?

A. By coaches it will terminate, so far as carrying the express on the railroad is concerned. We run from Omaha to the Pacific coast. Our district extends from the Missouri river to the Pacific coast.

By Mr. BOOMALL:

Q. Have you any reason to suppose or suspect that any officer of the United States, executive, legislative, or judicial, has any interest, directly or indirectly, in this contract or in this company, of which you are secretary?

A. None at all of any description whatever. If the committee will allow me, I wish to say that my stopping at Governor Randall's has been brought up as an evidence of collusion between the Postmaster General and myself. I would like to state that Governor Randall's father and mine were boys brought up together on the Mohawk, and were intimate, which intimacy followed the sons. I have known the governor a great many years. Our wives also are on intimate social relations. My wife has been in the habit for some years of being invited by Mrs. Randall to spend a week or two during the gay season, which invitation we have always accepted.

By Mr. PETERS:

Q. Have you any interest in this company except of being a stockholder?

A. I am not even a stockholder in this company, and never have had a cent of profit in any form or description for myself, growing out of this contract, nor have I expected to receive it, nor do I now expect to receive any.

By Mr. BROOMALL:

State whether you are not also connected with the Post Office Department as a special agent.

A. If holding a special agent's pass makes him a special agent then I presume I am.

Q. What do you mean by a pass?

A. I mean a special agent's commission, which I held under Judge Blair's administration, and have held for several years since, but to which no duties are attached and none have ever been exercised, except riding free on the railroads.

WASHINGTON, D. C., *January* 23, 1869.

JOHN E. REESIDE sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation?

Answer. I reside in Montgomery county, Maryland, and am a mail contractor.

Q. Do you know anything of the contract of Wells, Fargo & Co. for carrying the mails between the termini of the Pacific railroads?

A. I do.

Q. Please state all that you know about it.

A. I was interested with Charles McLaughlin as a bidder. McLaughlin bid for the route in his own name. After the letting we ascertained that there had been a number of propositions made, of which Mr. Spaids's was the lowest. I think there was some $20,000 difference between Mr. McLaughlin's bid and Mr. Spaids's. There was another bid above Mr. McLaughlin's, made by a man of the name of Cooke, I think, and there was another above that, in the name of Allman. The route was awarded to Mr. Spaids at his bid.

After the time for the commencement of the service I was informed by the department that Mr. Spaids had failed to put the service in operation, and that the department had notified Mr. McLaughlin of that fact. Mr. McLaughlin immediately telegraphed to the department and to me. He sent me this despatch:

[Dated at San Francisco, California, October 7, 1868.—Received at Willard's, October 7.]

To JOHN E. REESIDE, *Willard's Hotel:*

Have agreed to carry mail under my bid. See McLellan and figure for me.

CHARLES McLAUGHLIN.

This despatch was not received by me, however, until this other one came. I received them both together, as I was absent from the city when the first came. The second is as follows:

[Dated at San Francisco, California, October 9, 1868.—Received at Willard's, October 10.]

To JOHN E. REESIDE, *Willard's Hotel:*

Examine closely my despatches to the department, and advise me what is best to do.

CHARLES McLAUGHLIN.

Landlord will see that Reeside gets this immediately.

I received them both on the 10th of October. Immediately upon receiving them I called at the department and had an interview with Mr. McLellan, the Second Assistant Postmaster General. I showed him the despatches, and mentioned the subject to him. He informed me that an arrangement had been made with Wells, Fargo & Co. for $1,700,500 for the transfer of the mail between the two points. I asked him whether Mr. McLaughlin's bid had not been considered. He informed me that he had telegraphed to McLaughlin that he could have the route at his bid if he would take the mails; but that McLaughlin had telegraphed him to know what *pro rata* proportion would be allowed for the increase of mail matter thrown on the road by sending the printed mail matter over it; and that he had replied to Mr. McLaughlin that they would make no condition; but, if he would take the mail at his bid, and commence the service immediately, he would have it. I wrote Mr. McLaughlin, and dropped the matter.

Q. What was his bid?

A. $350,000, I think. I heard nothing more of it for several days. Mr. McLellan then told me that the arrangement he had made with Wells, Fargo & Co. was temporarily; they afterwards made a permanent arrangement at the same rate.

Q. Was the bid of McLaughlin subject to be reduced as the termini of the railroads approached one another?

A. All the bids were made under the advertisement with that understanding, unless it was specified otherwise.

Q. I see, in the report of the Postmaster General upon the subject, a telegram from Chas. McLaughlin, dated 6th October, 1868, in which he says:

GEORGE W. MCLELLAN, *Second Assistant Postmaster General:*

Will carry overland mail at my bid direct between the ends of the two railroads, commencing in 30 days after you notify me by telegraph of your acceptance, providing that you increase the service by sending the paper mail overland. Answer immediately.

CHAS. McLAUGHLIN.

What does he mean by that provision—does he mean that he would require 30 days to begin if that additional mail matter was thrown on the road?

A. He would require 30 days in any event to commence the service, for he could not get the stock upon that length of road in any less time.

Q. He offers to take the job at his bid, provided they increase his work according to the wording of the telegram; now that, of course, is not what he means; what did he mean?

A. He meant if they would put on the additional mail matter at *pro rata* pay.

Q. Then he made no clear offer to take the contract at his bid?

A. Only with that proviso. His object in doing that was to protect himself from having the whole mail matter thrown on him. That is all I know about the matter.

Q. If the additional mail matter thrown on the road would increase the weight of the mail daily three times, would that increase the expense of carrying the mails in the same proportion?

A. Not quite; there would only be a slight difference, however.

Q. Suppose the mails were to weigh 800 pounds under your bid of $350,000; supposing that to be a proper compensation, what would be a proper compensation for carrying an additional 2,000 pounds?

A. We always calculate upon 600 pounds of mail; that is the old rule in the post office for 40 years; 600 pounds of mail matter with the coach load; 2,800 pounds would, upon that basis, require five coaches to carry it. And my usual plan was, after I got beyond the two lines of coaches, to deduct 10 per cent. for all the rest; because where there are a large number of horses at a station there can be a good deal of economy. A coach load is 600 pounds; that has been the rule for 40 years.

Q. The Postmaster General says that more than 1,000 horses are required to perform the service properly; what is your judgment about that?

A. When the service was commenced I calculated the distance at about 700 miles. I calculated always about 10 teams to the 100 miles; that would take 70 teams to the line upon each side; 140 teams in all. There are 4 horses to the team, and that would make 560 horses. If you run five lines, it takes you just five times that many.

Q. The Postmaster General says that the estimate for feeding horses is about $2 a day; what is your estimate?

A. I think that is a high estimate. We calculate upon $2,000 a year for a team, driver and all.

Q. Are you basing your estimates upon carrying the mail and passengers, or upon carrying the mails alone?

A. Upon carrying the mails and passengers.

Q. Have you ever made a calculation of how many teams it would take to transport 2,800 pounds of mail matter alone between the termini of the roads?

A. I have; but I do not recollect the result now. We could carry the mail alone at a very slow rate. And that was an addition that entered into the calculation that, according as the companies filled up the space between the two points, they would run their trains up on time, and would give the stage company so much more time as would bring it down to two and a half or two miles an hour. But the object with us was to put on an additional number of lines, and to quicken the speed, so as to carry the treble.

Q. How much baggage would you carry besides the mail matter?

A. We would carry six passengers and their baggage to each coach.

WASHINGTON, D. C., *January* 23, 1869.

CHAUNCEY D. SPAIDS sworn and examined.

By Mr. BROOMALL:

Question. Are you the father of the Mr. Spaids who bid for carrying the mails between the termini of the Pacific railroads?

Answer. Yes, sir.

Q. State what you know about the matter.

A. My business for 30 years has been running stages in different parts of the country, and steamboats a large portion of the time. At the lettings of this route my son consulted me, and I made a very careful calculation what the route could be run for, he having some considerable experience on the plains. I advised him what I thought he could carry it for. His bid was $335,000. Immediately after the opening of the bids, the following morning I think, I heard in the street that Mr. Otis, and the Wells, Fargo & Co. party that was at the post office, were making an effort to try in some way to crush out my son's bid. I immediately informed my son what I had heard, and advised him to go to the general post office and to inquire into it. He requested me to go with him, and I did so. We there met Mr. McLellan, the Second Assistant Postmaster General. Mr. McLellan used this language: That through the instigations of Wells, Fargo & Co. there had been an *ex parte* meeting held there that morning by a portion of the members of the post office committees of the Senate and House. He said further, that he had remarked to them that it was a very improper proceeding to have such *ex parte* meeting without notifying the bidder, Mr. Spaids, in order that he might have his say in the matter. My son remarked to me that he would like to see that committee, and he asked me if I would like to go with him to the Capitol; I said that I would. Mr. McLellan inquired whether Mr. Otis knew either of us. He said that, as he probably might know us, we should go out of the back door of the post office and meet him at the F street car, so that Mr. Otis would not see us together. We did so, and Mr. McLellan went with us to the lobby-room of the Senate. He then called out Mr. Pomeroy, Mr. Conness, and two or three other senators who were said to be members of the post office committee. Mr. Pomeroy immediately recognized me, and asked me if I was the Spaids who had bid for this contract? I informed him that I was not, but that my son was the man, and I gave him an introduction to him. He immediately talked quite discouragingly to my son in respect to entering into the contract, saying that he must expect that a large number of teams would be run off by Indians, &c. I remarked to him that if there should be, and if he should be as well paid for them as Halliday, and Wells, Fargo & Co. had been paid for theirs, it would be an excellent sale of mules and horses, and that I did not think that that was an item to frighten anybody off; that I had myself seen a good deal of the Indians, and that I did not think there was much danger. He continued his discouraging remarks. However, some other senator at that time asked some questions of me and my son, as to what was known about the road. My son said to him that he had been across the plains several times, and was pretty well acquainted out there, and that he had made the calculations for his bid. This senator then turned round to Mr. McLellan and said: "I do not think it worth while to have any more shuffling about this," or words to that effect; "I think we had better declare the contract to Mr. Spaids; I am satisfied."

Q. You do not know what senator that was?

A. I think it was Mr. Morrill, of Maine. Mr. McLellan walked right back into the hall of the lobby-room with myself and my son, and he appeared to be pleased with the decision, and said to my son, "I think, as you do, that this contract is a good contract for the regular mail. There is a motion before the House and Senate to repeal the law of 1864, (which prevented the carrying of printed mail by this route;) if that should pass and become a law, it will make your contract a very profitable one, and as good a one as anybody ought to want; for," said he, "in that case the department is bound to pay *pro rata* for every pound of mail that the change of the law throws on the route and that was not on it when you made your proposals and bid." We then went down to the post office, in the street car. My son asked Mr. McLellan, on the road, what he should understand in regard to the contract—whether it had been awarded to him or not? Mr. McLellan said: "It is awarded to you;

you are required, however, to give your bond in 15 days; that is a very short time and an unusual thing, but this excitement that was got up this morning has induced such instructions." That was his language. My son said: "I intended to have interested parties on the other end of this long route to California, and I expected to get a part of my bondsmen there. That would be a shorter time than I could possibly do it in; but," said he, "if they are going to use that purchase to pry me out, I shall endeavor to find bondsmen nearer home." We parted at that, and within the 15 days my son furnished such bondsmen as were accepted by the Postmaster General, filed his bond, and took the formal oath as a mail contractor. My son then requested me to assist him in procuring stock to stock the road, and, if necessary, to take an interest in the profits. I did not tell him that I would take an interest, but I told him that I would assist him, and that if he needed it he could have $50,000 ready cash to assist him. He asked me at another time to go to New York, saying that he had been informed that Wells, Fargo & Co. would sell their stock on the road, and to see if I could negotiate with them for as much of their stock as would be necessary to run the road, either to carry the mail alone, or to run a single line of coaches with draught-wagons to carry such extra mail as might be thrown upon the road. I proceeded to New York and had an interview with Mr. A. H. Barney, president of the Wells, Fargo & Co. Express. Mr. Barney gave me to understand that he would entertain the negotiation; but he said that he would not take the responsibility to do so without having an interview with the directors of the company, and that it would take some few days to get them together, as they were scattered at watering-places and elsewhere. He asked me whether it would do if he gave me an answer in so many days. I said that his time was longer than would be safe to delay making the arrangement, and I asked him to shorten it. I said that unless I could negotiate with them for their stock, there was little enough time to go on the plains and purchase stock and get it on the road. He remarked that he thought we would have no difficulty in negotiating for the stock, and he insisted upon several days to get the directors together, to which I consented. He asked me to make my proposition in writing. I did so. I proposed to pay the company for so much stock as I deemed necessary; one half in cash, and the balance in four and seven months, with as good endorsed paper as could be given in the city of New York. At the time fixed by Mr. Barney I met him and the directors in New York. They then said that they would not sell the property unless I would take all their old stations, and their broken-down horses upon the ranches, and the ranches that they had bought on the road—in fact, their entire lot of old wagons, carts, and everything they had on the road—a large amount of useless property. I told them at once that I would not do anything of that kind, but that I would purchase stock sufficient to run the line. They then asked me for further extension of time to consider; I objected very strongly, but finally consented to give them time enough to send their man, Mr. Otis, to Washington, to see the Postmaster General, as they said. He was to meet me at Willard's Hotel and to give me an answer. He did not meet me at Willard's as agreed on. I then concluded that everything indicated that they had been making their propositions for delay. I notified them that I could not entertain anything that would delay the matter for another day; that I was going west for the purpose of procuring stock and stocking the road. Mr. Barney, in one of these interviews in his office, in the presence of Mr. C. A. Cook, of Denver, asked me if my son had consulted the Postmaster General before putting in his bid. I told him he had not. "Well," said he, "we did, and we put in a bid at $1,314,000 on the advice of Mr. Randall, and I think you should have consulted him and put in a much higher bid." I asked him why they had bid so large a sum. He said they expected that the resolution that was before the House would pass, and consequently they intended to have price enough, so that they could carry all the mails. Said I: "Mr. Barney, that resolution came very near not passing; suppose it had not passed, would you then have reduced your bid?" Well, he did not know that they would. Said I: "Mr. Barney, my son did not consider that he had a right to consult the Postmaster General in reference to what price he should bid; neither do I think you had." He seemed then to think that he had said a little too much, and stopped being quite so talkative upon that subject. I then said to him: "If the Postmaster General advised you to put in a bid of $1,314,000, without knowing whether that law would pass or not, I take the liberty to say that he advised you improperly, and that he had no business to do so." He would not talk any more upon that subject; he evidently thought that he had already talked too much. I then proposed to him to purchase half their stock on the road at an appraisal of men, and let him retain and run the other half on my son's contract; and I said to him that I had no doubt that by so doing Mr. Randall would be pacified, and would so construe the post office law as to allow a reasonable compensation for whatever mails were thrown on the road over and above what was bid for by my son. He then asked for further time to send Mr. Otis to Washington. That was the time that Mr. Otis came to Washington and did not meet me. I then immediately afterwards started west, for the purpose of assisting my son in stocking the road. My son made an arrangement with Mr. Charles Tilton, who was here yesterday, to proceed with him to Salt Lake and assist in purchasing and procuring stock. They proceeded to Salt Lake. While at Omaha, I made arrangements with different parties for stock and coaches sufficient at least to run half the road; the arrangements for stocking the other half were to be made at the western end of the road. I soon got despatches from my son, saying that Mr. Tilton had gone further west—to California and other places—to procure stock for that end of the road, and that he should return soon to Chicago. When he arrived at Chicago, I informed him that I had heard that there was a communication directed to him at the post office in Chicago. He went to the post office, and was told there was no such communication there. I then said to him that I would go with him and see if I could ascertain what it meant. I went with him to the post office and saw the assistant postmaster, and told him I had heard there had been a communication to my son there; that that was the second or third time he had called for it and could not get it, and asked him if he would not make a search for it. He did so, and finally brought forward a communication directed to my son, the subject of which was an inquiry from the Postmaster General asking if he was prepared to carry all the mail that would be thrown on that road. I said to my son: "This is a very strange communication; you had better proceed to Washington immediately and inquire what it means." When this letter was found at the post office it looked to me very much as though it had been intentionally delayed in some way; it was important that my son should have received it sooner. I suggested to the assistant postmaster that he should state upon the envelope the facts in reference to its not being delivered. He did so, and such a statement is upon the envelope now, in the handwriting of the assistant postmaster at Chicago. My son wrote to McLellan letters of which those are true copies in the printed report. After they were written, Mr. McLellan seemed to be determined not to give any reliable information in reference to the amount of mail that would be thrown on the road; and, of course, it was impossible for my son to calculate the amount of stock that would be required without knowing the amount of mail he would have to carry. My son requested me either to go myself or employ some person to go and see if we could not find out from the Postmaster General what amount of mail would have to be carried. I went to Mr. Farwell, in the Patent Office, and told him we were in a great muddle to know whether we were going to want 200 horses, 300, or 500, and that I thought, as he was acquainted with the Postmaster General, he could find out for us. He said he would try. I met him afterwards, and he said to me, "They evidently intend to bluff you off, for Mr. Randall tells me that it is useless for your son to attempt to carry that mail, for the reason that it will be increased to from 10 to 11 tons per day." "Well," said I, "with that statement from him, it is hard to tell where anybody would land. I have no idea whether that statement is true or whether other statements are true; and it would be very dangerous to expend $75,000 or $85,000 on the road with no better understanding than that of what he is going to do." I then advised my son to say to the Postmaster General that he thought he was required under law to stipulate what compensation would be paid for any extra service thrown on the road; and, if he declined that, to notify him that he did not consider himself bound to carry out the contract. My son communicated with the Postmaster General according to my advice. That is about all that I remember in reference to it, except that I have made a very careful calculation, from a great deal of experience in staging, of what it would cost to carry from 600 pounds of mail up to 3,000 pounds per day, and to carry it without stocking the road with expensive coaches for carrying passengers. I would say that to carry 3,000 pounds of mail per day for the distance that was to be run between the termini of the roads on the 1st of October, for $600,000 to $700,000, would pay a very large profit, much better than any contract that I know of in the United States. I would have been very glad to have furnished the stock and capital to have carried 3,000 pounds of mail per day at that price; I consider it a much better investment than I can make elsewhere.

I will now make some observations in regard to Mr. Randall's calculations of cost. I must say, from looking at his calculations, that it is impossible that he could have made this statement from his own judgment, or from calculations of any man who was not interested in swelling the amount of cost, for it is certainly very much larger than it could possibly be figured up in any reason; and I must say that, in doing so, his mind must have been led astray by somebody, or else he went astray himself. I have seen copies of Mr. McLaughlin's telegraph in the Postmaster General's report, and I have had copies sent me from California. My understanding of the post office law has been that where a responsible party, as Mr. McLaughlin is known to be, offers to carry the mails at so much less than other parties, he should get the contract.

Q. How do you compare Mr. McLaughlin's bid with Wells, Fargo & Co.'s contract, when the latter embraces the printed mail and Mr. McLaughlin's did not?

A. It seems from Charles Tilton's explanation that Mr. McLaughlin was endeavoring to draw out a proposition.

Q. But how do you compare the proposition of Mr. McLaughlin to carry the letter mail alone, with the contract of Wells, Fargo & Co. to carry the printed mail also.

A. It is impossible to tell, without knowing what amount of weight he was to get a pro rata allowance for.

Q. What do you know about the second branch of the inquiry, as to how these parties are carrying out the contract?

A. Nothing, except from the reports of the special agents and of people who have come over the road. I was told yesterday, by a governor of one of the Territories, that there was any number of affidavits on file in the Post Office Department complaining of the abuses in carrying the mails, and that there was no attention paid to them.

Q. Have you stated all that you know about the matter?

A. All that I think I know.

By Mr. PETERS:

Q. When you gave up the contract did you make any other proposition?

A. I did not understand my son to give up the contract, but only to notify them that he did not consider himself bound to carry the printed mail without a stipulation from the Postmaster General.

Q. Was there any proposition as to the amount of pro rata to be allowed?

A. We could get no opportunity to get in that question.

WASHINGTON, D. C., *January* 23, 1869.

S. P. BROWN sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I reside in Washington, and am a dealer in coal and lumber.

Q. State what you know upon the subject of investigation before this committee.

A. Some time before the first of June last, Mr. Spaids told me that he had put in a bid for the overland mail, and in a few days afterwards he told me that his bid had been accepted, that he was going to have the contract, and that he wished me to be one of his bondsmen. I went and saw Mr. McLellan, the Second Assistant Postmaster General, and talked with him; I became satisfied that the price was reasonable, and I signed his bond. Mr. McLellan told me in the mean time that the matter of repealing the law that prevented the carrying of the printed mail was before Congress, and that in his opinion Mr. Spaids would be entitled to pro rata pay for all the additional mail matter thrown on the road in consequence of the action of Congress, and that he had some question in his own mind whether the department would have a right to pay it, or whether it would require some action of Congress; but that there was no question about the contractor being entitled to the additional compensation. He told me that the Postmaster General was opposed to carrying out the contract, and that he desired that the route should be readvertised, in consequence of the action of Congress. He said there was no precedent for it, and that the only way that he could see was for the contractor to go on and carry the mail, and, if the department had not authority to pay for the additional mail matter, to ask Congress to give it authority. I went with Mr. Spaids to the department to try and arrange something satisfactory in reference to this extra mail service; and it appeared, from all the information that we could get there, that Mr. McLellan was in favor of doing everything fair and right, while the Postmaster General was not. His disposition, so far as I could learn, was to break down this contract and to give the contract to Wells, Fargo & Co. From all I could learn, I had no doubt that Mr. Randall did everything to obstruct the carrying out of this new contract.

Q. Did you talk with Mr. Randall about it?

A. I did not, myself.

Q. Can you give us any facts that led you to that conclusion?

A. Mr. McLellan told me that he thought it was the wish of the Postmaster General to break up this contract and give it to Wells, Fargo & Co. He told me so; and others in the department also told me that that was Mr. Randall's wish and desire, that this matter could be taken out of the way in some manner, so that he could make an arrangement with Wells, Fargo & Co. to carry the mails.

By Mr. **Peters**:

Q. You say Mr. McLellan and others told you so; what others?

A. Mr. Green, who has charge of these overland mail routes; he is a clerk there. Mr. Van Buskirk also stated that he did not believe anybody could carry the mails except Wells, Fargo & Co., and that it was of no use for Mr. Spaids to attempt to carry them. I advised with Mr. Spaids in reference to getting the matter fixed definitely, and then to go on and stock the road and carry the mail. I advised him to try and get the department to say what it would allow, or what it would recommend to Congress to allow. There was a great effort made in that direction, without getting anything definite from the Postmaster General.

Q. Is that all you know about the matter?

A. That is all.

Washington, D. C., *January* 23, 1869.

John H. Clark sworn and examined.

By Mr. **Broomall**:

Question. State your residence and occupation.

Answer. I live in New York avenue, Washington city. I am a contractor.

Q. If you know anything in reference to the matter, please state it.

A. I was a bidder for the same route with John Allman.

Q. What was your bid?

A. $460,000.

Q. Was that before or after the additional mail matter was thrown on the route by act of Congress?

A. It was before, I believe. We bid on the advertisement.

Q. After the failure of the Spaids contract, were you tendered the contract at your bid?

A. No, sir. I went to see about it, for I had heard that Mr. Spaids failed to perform his contract. I met Mr. Van Buskirk and asked him why we had not been notified, as we were the next bidder. He told me he did not know it was their business to notify anybody. I told him I thought it was proper he should have notified me, as he knew I was in the city. He said it was not the business of the post office to do it.

Q. Did you say anything to the Postmaster General, or either of his assistants, at the time?

A. No, sir; they were in New York at the time.

Q. Would you have taken the contract at your bid?

A. Yes, certainly; and would have been glad to get it.

Q. Without regard to the increased service required by the act of Congress?

A. I did not know anything about that; I never read the ——; if they increased the work they would have increased the pay.

Q. You would have done the service at a *pro rata* increase of pay?

A. Yes, sir; we made a calculation that there was so much mail to be carried, and we bid accordingly. I never knew that it was to be increased; I supposed the service was going to be reduced by the distance being shortened.

Q. Is that all you know about the matter?

A. That is all.

Q. What was the distance on the 1st of October?

A. Seven hundred odd miles.

Q. What would it have been worth to carry 2,800 pounds of mail that distance?

A. When we made our bid to carry the mails alone, we calculated to carry 3,500 pounds daily at $460,000. Mr. McLellan told us that it would average something less than that.

Q. Did he say anything about what mail was to be carried?

A. No, sir. I asked him, if I recollect right, what the weight of the mail was. Mr. Allman was with me, and Mr. Allman said about 4,000 pounds. Mr. McLellan said, "Not so much as that." I said to Mr. Allman, "We had better make our calculations for a little more." Mr. McLellan's estimate was under 4,500 pounds; I estimated at 4,500 pounds, and my bid was based upon that estimate.

Q. If I understand you, you would have carried that weight of mail under your bid?

A. Yes, sir.

Q. And they never made you any tender of it?

A. No, sir.

Q. You reside in Washington?

A. Yes, sir.

Q. And are known at the department?

A. Yes, sir; by almost every person there.

Q. Did you put in your bid alone, or with somebody?

A. Mr. Allman and I went together. Our bid was $460,000.

WASHINGTON, D. C., *January* 27, 1869.

CHAUNCEY D. SPAIDS recalled and examined.

By Mr. BROOMALL:

Question. You can now make what further statement you have to make to the committee.

Answer. As near as I can recollect, some time about the 11th or 12th of September I met Mr. Randall, the Postmaster General, at Willard's Hotel. I called him out on the porch and said to him that I was going out of the city, and would like to talk with him in reference to that mail matter before I left. I then said that Messrs. Wells, Fargo & Co. were representing clear through to Salt Lake, to every party who suggested taking an interest in stocking that road and carrying that mail, that he (Randall) was their authority for saying that the contractor never would be paid one dollar for carrying the extra mail; and I said to Mr. Randall that this assertion was very embarrassing, for the reason that parties feared trouble from the Post Office Department, if such was the fact. I further said to him that when any one doubted it Wells, Fargo & Co. authorized them to telegraph to the Postmaster General, saying that he would confirm their statement; and I further said to him that my son had spent a good deal of money in preparing to stock that road, and I thought it would be very hard if he should be crushed out with that kind of a lever on account of the change of the law throwing a large amount of additional mail matter on the road; that somebody would, of course, have to be paid for carrying; and I asked if he did not think it would be better to allow my son a reasonable compensation; that he would not ask *pro rata*, but a reasonable compensation for the additional mail; and as he had then made arrangements to stock and run the road, I thought it would be carried along smoothly, and I asked him if he did not think it was his duty to do this under the circumstances, this being an unprecedented case. I further asked him if he would not do this, and if there was any re-letting or private letting, to give my son a fair show in the matter, after his going to the expense he had gone to. He replied that he would see about that after the time expired. That is the sum and substance of all that I recollect.

Q. What did he reply to your question as to whether he would allow extra compensation?

A. He did not make any reply. He seemed to be afraid to make any reply, or else he did not want to do so.

Q. Did he at the time tell you that the department had no power to do so?

A. He did not.

Q. Did McLellan at any time tell you that?

A. He did not.

Q. When did you first get the intimation, and from whom, that the department had no power to give extra compensation, and that the remedy was to apply to Congress?

A. I do not recollect that I ever received any such intimation at all. I was always full of the subject, and Mr. McLellan repeatedly said to me that the department—(he said the word "department," and not "government,")—that the department would be in our power. In the Senate and in the lobby-room he used this language: "If this law should pass, you will have the department in your power; you have got a good contract; you have got the department tight." These were his precise words. Said I, "What will it amount to?" Said he, "I cannot tell what surplus mail will be thrown on the road." I then went to the office and asked him if he would inform me what the exact weight of the mail going overland was. He made some calculation, and I then told him that he was mistaken, and asked him if this amount was not made from Omaha, Chicago, and other points on the road. Says he, "I am mistaken; I will telegraph to-day to Salt Lake, and have the postmaster there weigh the mail that arrives at Salt Lake and that departs from Salt Lake—the mail both east and west. He did so, and gave me the weights from the books, which were 647 tons going west and 300 odd tons going east. That was the average of one week. He said that that would undoubtedly be the weight by which to allow the extra pay; he gave me that distinctly to understand in every conversation I had with him, until I stopped talking with him, for the reason that I was told that he had jumped to the other side of the fence. He was for some time our "friendly Indian," and the only friendly Indian in the camp, but at a certain time he jumped to the other side. We did not give any money—nary a dollar to have him friendly.

To Mr. BROOMALL.

My son proposed to sell out a part of his contract to some parties who represented themselves as large capitalists, and who were to join him in stocking the road. He was to take them in with him to assist in stocking the road.

Q. Did he ever entertain any notion of selling out to Wells, Fargo & Co.?

A. My opinion is that he did. I wrote to Wells, Fargo & Co. and made them an offer in writing to purchase their stock, or one-half of it and give them a one-half interest in the contract, or to purchase the whole of the stock. They gave me to understand that they would entertain the proposition, and kept me 20 odd days under that understanding, but finally I became satisfied that they were doing it for delay. These negotiations were, I should say, more than 10 days after my son signed the contract. My best recollection as to the date of the contract is that it was the 28th or 29th of June, but I am not positive. The bid was accepted on the 12th of June, and the contract issued in blank to be signed in 15 days.

Q. Was it within these 15 days that you called on Wells, Fargo & Co.?

A. I am not positive about the time, but I think it must been after that.

Q. What gave rise to the notion that you could sell out at a profit to Wells, Fargo & Co.?

A. They had stock on the road, and it was supposed that they would be glad to have an opportunity to sell a part of it, and consequently I made that proposition in writing. Mr. Barney told me at one time that he would carry the mail as far as Salt Lake, as it would connect with some of his Montana routes, and gave me to understand that he was satisfied to carry it at his bid. I did not question him, because I did not think that we were going to get to the point, unless they agreed to sell a different portion of their stock. They wanted to sell their old stages and a lot of broken down property, and I did not propose to buy it.

By Mr. BROMWELL:

Q. How many stages would stock that road?

A. I made a very close calculation for 10 or 15 days, assisted by some of the oldest overland stage men. We calculated that it would cost $85,000 to stock the road with four and six-horse mule teams and wagons to carry the mail, whatever amount it might be, three, four, or five tons. That was not calculating to carry any passengers or express matter; and at that rate we calculated that it would pay a profit of $30,000 a quarter, after estimating the cost for running the road, for drivers, &c.

By Mr. BROOMALL:

Q. You speak in your former testimony of a negotiation of purchasing the property of Wells, Fargo & Co. on the road; was that negotiation going on at the same time that you were endeavoring to sell out the contract to them?

A. I do not think it was. When we disagreed we had considerable conversation. I said to him: "I will buy half your stock and sell you a half interest in the contract; or, if you prefer it and do not want to mix up, I will sell you the whole contract if you will give new bonds to faithfully carry it out and relieve the present bondsmen." I think we offered to sell out for $50,000, that is my recollection; and they kept me for 23 days under the idea that they would entertain the proposition to buy us out. They then proposed a further postponement, but I said to them: "Gentlemen, I am satisfied that you mean delay." Mr. Barney says: "I hope you do not mean to accuse us of being that kind of men." Said I: "I do not care; this looks very much like it. You have not done as you have agreed to, and I shall not spend any more time with you, but shall go to Salt Lake immediately. I am going to-night;" and I started.

Q. Have you been here during the entire session of Congress?

A. I have not, but my son has been here. I came here a week ago last Sunday.

Q. You saw me in the corridor, I think, the day after this resolution was passed?

A. Yes, sir.

Q. Had you seen any member of Congress about this business before you saw me?

A. I believe not; I am not certain, however.

Q. Was your business here to have this matter seen to?

A. Oh no, sir; I have further business here. I will further state, in answer to that, that the first I knew or heard of Mr. Washburne's resolution was from the newspapers at Chicago.

Q. Have you stated all that you know about the matter?

A. All that I think of now.

By Mr. PLANTS:

Q. As I understand the matter now, Wells, Fargo & Co. put in their bid in view of the increased mail matter?

A. I cannot say that. McLellan so stated, I believe.

Q. Your bid was for the letter mail only, and you asked from the department a *pro rata* compensation for what was above that?

A. I asked Mr. Randall to allow a reasonable compensation for the increase of mail, and said to him that one or two hundred thousand dollars upon the top of this contract would be sufficient justification for stocking the road to carry almost any amount of mail that would go over the road; because I did not believe there would be such a large number of tons as they said.

Q. Did you insist upon the department pledging you a definite sum, whether you claimed *pro rata* compensation for the additional matter thrown upon your hands, or whether you took what the department would give?

A. This was my language to the Postmaster General: "Will you, or will you not allow a reasonable compensation on the surplus mail on the road?" Saying at the same time that my son would not require *pro rata* pay, but only reasonable compensation for the additional matter. He did not say, "I have not the power from the government"—in fact, he made me no reply whatever. I did suggest to him at the same time that a word from him would settle the whole question, and asked him if he had not better say to Wells, Fargo & Co. that they had better take one-half the route at the Spaids bid, and let them have the balance by selling them one-half of their stock. I made that suggestion, and intimated that I thought that if he said so, they would take the advice. I meant to give him to understand that I believed that he and they were good friends, at least. I did not feel like accusing him of anything worse than that.

By Mr. PETERS:

Q. What persons were to be interested in this contract in your son's name besides himself?

A. If there was any one to be interested, before proposition was made to assist to stock the road, I did not know it. He might have had 20 in with him, but if so I did not know it, and I think I would have known it.

Q. Was S. P. Brown to be interested in it?

A. After the taking of the contract I think he was. He was to have one-quarter. I had no interest whatever in it, except to assist my son.

Q. No pecuniary interest?

A. No pecuniary interest, except that I naturally supposed that, if I furnished my son money to stock the road, I should get a good profit on it. I made no arrangements whatever with him about it. I am not a partner with him in that, or anything. No one else, that I am aware of, was to have an interest, except it might have been some one who was to assist in stocking the road, but I do not know of any other, and I do not think there was any other.

Q. Was Brown to have an interest, in consideration of signing the contract, as a surety?

A. That was one consideration, and the other was that he was to furnish one-quarter of the capital to stock the road.

Q. Do you know whether a man by the name of George W. Weston, in the State of Maine, was to be interested in any portion of the contract?

A. That is a man whom I have never heard of, and I think if there was any such man to be interested, I should have heard of him.

Q. Mr. Brown told me that he was to have one-quarter, and also Mr. Fuller, of Chicago?

A. He might have been to be interested with him, but he is a man whom I do not know at all, and have never heard of before.

WASHINGTON, D. C., *January* 26, 1869.

JAMES KELLY, postmaster of New York, sworn and examined.

By Mr. BROOMALL:

Question. Can you give the committee any information about the amount of mail matter now carried by sea from your office to the Pacific coast?

Answer. I think the amount is about twenty-five hundred pounds, but I have not paid much attention to the matter for the last six weeks.

Q. How does it compare with the amount sent to San Francisco prior to October last?

A. I have here a statement made out by my assistant, Mr. Knapp, giving the amount of mail matter forwarded to San Francisco from our office from the first of October last, which will answer your question more satisfactorily than any verbal statement I can make. It is as follows:

POST OFFICE, NEW YORK, *January* 25, 1869.

SIR: In answer to your inquiries relative to weight of overland mail to the Territories and California, I would respectfully report that from the 1st of October to the 9th of October the estimated weight of mail sent overland was an average of 4,424 pounds per day.

From the 10th of October to the 16th the amount was an average of 3,679 pounds per day.

From the 17th to the 31st of October the amount sent was 35,178 pounds, or an average of 2,513 pounds per day.

From the 1st to the 30th of November the amount sent averaged 1,830 pounds per day.

Prior to the 1st of October no printed mail was sent by this route except publications to bona-fide subscribers. Congress having at the last session removed these restrictions and authorized all printed matter to be forwarded at transient printed rates after October 1st, large amounts of such matter were held back by publishers to avail themselves of this privilege; consequently the amount of mail sent from this office early in the month of October was exceedingly large.

On the 16th of October received telegram from the Post Office Department to forward all printed mail matter on hand on that day by the steamer to sail on said day.

On the 24th of October received telegram from the Post Office Department to allow publishers to send such matter as they might designate by steamer; and as the publishers very readily availed themselves of this privilege, it has naturally reduced the amount sent overland from this office. The number of letters sent daily from this office overland will average 3,000 per diem.

Yours, respectfully,

S. H. KNAPP,
Superintendent of Mails.

Hon. JAMES KELLY, *Postmaster.*

Q. Do you know anything about the manner in which Wells, Fargo & Co. have fulfilled their contract?

A. I have heard very little complaint—not as much as I expected from reports which have appeared in the newspapers.

Q. What is your rule as to sending mail matter by sea or by this route now?

A. We bag everything for California that comes down to us. The entire mail that leaves our office does not go to California. They take out some of it at St. Louis and other offices, and send the balance on.

Q. Is it for you to say what portion of the mail shall be sent by sea, and what portion overland by Wells, Fargo & Co.; and if so, what determines your choice?

A. It is determined by the person sending it. We send by sea everything directed by the party sending by that route. If a letter is dropped into the office with directions, "send by steamer," we send it—and so with printed matter; otherwise it goes by railroad and overland. I recollect that on one occasion the postmaster asked me to invite in several persons of prominence in New York to consult with him on that subject. I did invite Mr. Isaac Sherman as one of the prominent business men, Mr. Greeley, the editor of the Times, and others whom I do not now recollect. The Postmaster General stated to them that he was in a dilemma about the proper method of carrying the mail to the Pacific. He stated to them various propositions that had been made, and one by Brigham Young among others. My assistant was there at the time, and I did not pay very special attention to the conversation that took place. I recollect that Mr. Greeley talked for half an hour upon the subject of the importance of having papers directed to actual subscribers sent overland. He said that a great deal of this matter was sent out on speculation to sell, and that a half day's delay in receiving a paper would prevent its being sold. I recollect that Senator Cole was present and took great interest in the matter.

Q. Do you recollect what points were settled by the interview?

A. I think the person who had taken the contract was unable to carry it out, on the ground that he was required to carry matter he had not bargained for. I remember the remark that twelve coaches would not carry all the matter that we put on him. Brigham Young's proposition struck me as the most feasible and most economical. His bid to a certain amount was the lowest; but he had a proviso that all above that should pay ten cents a pound. The matter we sent was then on the increase, and we did not know where it would land us. Senator Cole, Governor Morgan, and Mr. Sherman, took the ground that the proposition of Wells, Fargo & Co. was the most economical mode of sending it.

Q. Did the Postmaster General appear to have any particular choice in the matter?

A. No, sir; he seemed to be very anxious to do what was best.

Q. Did he say anything in favor of giving the contract to Wells, Fargo & Co.?

A. No, sir; I do not think he did.

Q. Did you gather anything from the conversation held that he was in his own mind in their favor?

A. I only inferred from the conversation that he was anxious to have the mail sent promptly, and wanted to adopt the best proposition.

Q. You say you were requested by him to send for business men—that the particular persons invited were designated by him?

A. No; he left that to me. I did not know he was in the city until about 9 o'clock in the morning, when I heard of it at the Astor House, and I sent up to his room. He came down and said he wanted me to invite some of the business men, residents of the city, to meet him. I asked him who I should send for, and he said send for anybody; send for the editors of the papers here. I did send for the editors of two or three papers, and for the other parties whom I have mentioned.

Q. Was the company called upon to decide this question the one selected by the Postmaster General or by you?

A. He may have named some of the parties. I think I saw some there whom I did not know, but I could not now state who they were.

Q. How many did the company consist of?

A. I suppose 12 or 13.

Q. Was the conclusion at which they arrived reached with considerable unanimity, or was it simply the opinion of a majority present?

A. I think they came to a general agreement about it. Nobody urged any particular party; but I must say that my attention was not sufficiently drawn to the details of the conversation to enable me to state them now with accuracy. I was there as a subordinate, and I did not think it was necessary for me to do more than to answer the questions they asked of me as to how many letters were sent, &c.

Q. Was the question asked by anybody why Wells, Fargo & Co. could not take their bid of $1,300,000, and why they were now asking $400,000 more?

A. I do not know that I can answer the question. I do not think I paid much attention to the details of the conversation. I think I was complying more strictly with the precepts of the eleventh commandment in attending to my own business.

Q. I saw in the report of the Postmaster General, on page 61, a letter from you in which he stated the weight of the mail from the 17th to the 31st of October. Is that letter correct?

A. Yes; I think it corresponds with the statement I furnished the committee to-day. My orders were to have the mail weighed, and I gave directions that it should be done.

Q. The committee understood you that everything is now sent by the overland route, except that which is directed to go by sea by the parties interested?

A. Yes.

Q. Have you any means of ascertaining how much of the material that leaves your post office is stopped at St. Louis and other places, and how much is actually carried on by Wells, Fargo & Co.?

A. I do not know. All the California mail coming into our office goes from our office for California. Whether it all reaches there or not I do not know.

By Mr. GETZ:

Q. I suppose in your experience you find constantly complaints made of delay on all the routes?

A. There are so few complaints that I pay very little attention to them; hardly enough worth paying attention to. Our work has been growing since I have been in the office from about twelve tons to a hundred tons. We have agents who go with the mail as far as St. Louis, and very little matter is lost. A record is kept of the hours at which every mail arrives and goes from the office. A receipt of registered letters is taken from every agent into whose hands they come, and I think there is very little ground for complaint in the matter.

WASHINGTON, D. C., *January* 26, 1869.

JOHN STRATMAN examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I am a publisher and stationer at San Francisco.

Q. Do you know anything about the manner in which Wells, Fargo & Co. are carrying the mails upon their route, and if so, state what you know?

A. In the first place I will say that I have been 15 years in the newspaper publishing and stationery business in San Francisco. My business extends to the supply of all the Pacific coast, or nearly so, and China with cheap publications, magazines, &c. During the month of October this dispute, as we understood it in San Francisco, in reference to Mr. Spaids new contract and Wells, Fargo & Co., resulted in no printed mail arriving for nearly a month. I have an agent in New York who does my buying and who sends a great portion of the matter by mail. After our mails had failed to arrive for some time I commenced telegraphing to my agent to know the reason why the mails were stopped. Prior to that we had always been in the habit of getting our publications by steamer. I was informed that the postmaster at New York, by authority of the Postmaster General, refused to send it by steamer, and that it was sent overland, evidently. When I got a portion of my stock, which amounts to between six and seven thousand dollars in gold value per month, it came in such bad order, by rubbing against the wheels and being all chewed up, that it was perfectly useless, and a great portion of it I directed to be sold to Chinamen for wrapping paper. By close figuring I am out at least $11,000 in gold by this failure to carry the mail. Seeing by the papers a report that the House committee had notified the Postmaster General not to pay Wells, Fargo & Co., I immediately started, on the 8th of the present month, to come to Washington by the overland route. I had seen the statements in the newspapers about these mail bags being used to make corduroy roads, and was on the lookout to find what I could see. At two or three stations on the road I saw mail bags in stables and at other places, and I saw old mail bags that had been emptied. At other places I saw Harper's and other magazines in cabins where no magazine or pictorial paper would ever be purchased. I saw the pictorials pasted upon the walls at such places. At one portion of the road the driver got off the stage and picked up a mail bag which had been half chewed up by the coyotes. It was my object to appear before the committee when I arrived here, and I desire as far as possible to ascertain who was responsible in the matter; in fact, this staging of the mails has had the effect of breaking up my business entirely. One branch of my business is similar to that of the News Company in New York. I supply postmasters, agents, and other small dealers through the Pacific country. A great portion of my stuff pays three passages to the United States, and my English publications pay two passages and the tariff levied in coming through the customhouse. That is about all I know in regard to the manner in which these parties have fulfilled their contract.

Q. The complaints of which you speak were mostly during the time you have mentioned—from the 1st of October until the 25th of that month?

A. It was from the 1st of October until about the 10th of November.

Q. State whether you have had reason to complain since that time, or since the contract has been given to Wells, Fargo & Co.?

A. No; for the reason that we get our publications now by steamer. We proposed to telegraph to the Postmaster General asking him to send our papers in that way. The postmaster at San Francisco thought it better to allow him to telegraph, which he did, stating to the Postmaster General that the news agents had requested newspapers sent to them to be brought by steamer instead of overland, and since then we have received our papers by sea as usual.

By Mr. BROMWELL:

Q. You speak of seeing mail bags in stables; did they contain letters or publications?

A. They contained papers.

Q. Were they full or empty?

A. Full; but, as I said, I saw empty ones also.

Q. Have you any knowledge as to how long they had been there?

A. No, sir.

Q. Were they in good order?

A. They looked as if they had seen pretty rough usage.

WASHINGTON, *January* 25, 1869.

GEORGE W. MCLELLAN sworn and examined.

By Mr. BROOMALL:

Question. You are Second Assistant Postmaster General?

Answer. Yes, sir, and head of the contract office.

Q. State to the committee what you know of the contract with Wells, Fargo & Co. to carry the mails between the termini of the Pacific railroad.

A. The whole matter, so far as I know anything about it, is contained in this report, (Ex. Doc. No. 14,) except some papers that have come in since the report was made. Part of the report was got up under my own eye. There is one little error in the despatch to Hon. Justin S. Morrill, on page 46. It is printed as if signed with my name instead of that of the Postmaster General.

Q. State whether Mr. Morrill answered that despatch by letter.

A. I understand from Mr. Morrill that he did; but I never saw the letter. There is a telegraphic reply from him.

Q. Who had the contract for that route during the previous year?

A. Wells, Fargo & Co., and Ben. Halliday. Wells, Fargo & Co. had the western end of the route and Halliday this end. Wells, Fargo & Co. afterwards became the sub-contractor; but we did not know that. It stood on the books of the department in the name of Ben. Halliday.

Q. So that Wells, Fargo & Co. had actually the whole contract?

A. Yes.

Q. What was the extent of the contract, as to distance, when it began?

A. We used to call it 2,020 miles from the Missouri river to Sacramento.

Q. Did that contract contain a provision for the compensation decreasing as the termini of the railroad approached one another?

A. It did not.

Q. On the 1st of October last that contract expired?

A. It did.

Q. State if you know the distance between the termini at that time?

A. Eight hundred and thirty-seven miles, from the best information I can obtain.

Q. Was that between the actual termini, or between the points to which the road was actually built?

A. Officially we had no evidence in the department that the road had progressed any further than the mails were taken. That distance was 837 miles.

Q. What bidders were there for the contract that was let out to Mr. Spaids?

A. You will find their names in the report. I remember Wells, Fargo & Co., Carlton Spaids, Charles McLaughlin, Allman & Clark, and, I believe, Charles A. Cook.

Q. Do you know whether any of those parties made their estimates on the supposition that the service would be increased by the pending bill of Congress?

A. Wells, Fargo & Co. reported verbally to the department through their agent that they did.

Q. Did any other parties communicate the same fact to you?

A. None other.

Q. Was that act of Congress which threw the printed mail upon that route pending at the time the contract was made?

A. My recollection is that when the advertisement was issued Congress had not passed the act throwing all the mails upon that route, but the law did pass before the contract was executed.

Q. Can you remember the date of that law?

A. I do not remember.

Q. Had you any conversation with Carlton Spaids about the increased service?

A. Very little with Mr. Spaids, the contractor.

Q. Do you remember telling him that he would be paid for the increased service?

A. I do not remember anything of the kind.

Q. Do you remember visiting the Senate chamber with him to see the Committee on Post Offices and Post Roads of the Senate?

A. I do not remember.

Q. The act, then, was passed, you say, before the contract was entered into?

A. That is my recollection.

Q. The contract, then, and all the bids must have been made having regard to the law which had been passed—I mean the law throwing the whole mail upon that route?

A. I only know that Mr. Spaids and Mr. McLaughlin stated that they put in their bid to carry the mails according to the law which existed at the time they put in their bid.

By Mr. PLANTS:

Q. At that time do you say the law throwing all the mails upon that route had not passed?

A. It had not passed then, sir.

By Mr. BROOMALL:

Q. But it had passed when the contract was concluded?

A. Yes, sir.

Q. Can you give us the date of that law?

A. No; unless it is put in here. (After referring to the report.) I find it here to be June 25, 1868.

Q. You say the contract was awarded to Mr. Spaids on the 12th?

A. Yes, sir, on the 12th, but not executed, I think, until the 28th.

Q. How long before the passage of that law was it generally understood that such a law would be passed?

A. So far as I know it was not understood that it was to be passed until it was actually passed.

Q. In reading over the report of the Postmaster General I find some things not very distinctly but rather vaguely expressed, as if an attempt was made on the part of somebody to force Mr. Spaids out of the contract after he had taken it; and especially that application to him, which appears to have been the first intimation he had that there was anything wrong. Now, do you know that any such effort ever existed?

A. I only know that the report was that Mr. Spaids could not carry out the contract; but he said he would be able to do it.

Q. Did he say he would do it after the passage of the law, and having the additional mail matter thrown upon him in view?

A. He was anxious to know whether the department would allow him *pro rata* pay for the additional weight of mail, and he was given to understand, both in writing and verbally, that the department had no power to do that; but he was assured by many, and I think by the Postmaster General himself, that if he went on and executed the contract faithfully he would undoubtedly have a good claim upon the government, which the department would urge and aid him in getting through. And I will state here that if the department had accepted Mr. Spaids's proposition the thing would have cost a great deal more than it does now.

Q. What was bid by Wells, Fargo & Co.; their first bid?

A. $1,345,000, or thereabouts.

Q. Had they taken into account the increased mail matter in that bid?

A. They had, sir.

Q. When a contract is thrown up by the lowest bidder is it or is it not the practice of the department to offer the contract to the bidders above him in their order?

A. Generally, it is.

Q. Was this contract offered to the bidders above Mr. Spaids?

A. All of them, as far as I recollect.

Q. I do not find any offer to the bidder at $460,000—Mr. Cook, I think. How is that?

A. I do not remember about that. If it was not offered to him there was some reason for it that I do not remember.

Q. Allman and Clark were the bidders for $460,000; why was no offer ever made to them?

A. Mr. Allman was at the department repeatedly, and in conversation with me said he could not take the contract and go on and stock the road.

Q. This he told you in conversation?

A. Yes, sir.

Q. And you give that as a reason why no proposition was made to them?

A. Yes, sir, at the $460,000.

Q. Have you any reason to believe, that a better contract could have been made with anybody than was made with Wells, Fargo & Co.?

A. I have not, sir, under the circumstances. As to Mr. Spaids's contract, he did not notify the department that he was going to carry the mails until the 27th of September. At about that time I had written a letter to the Postmaster General giving my views upon the matter. The substance of it was that he could make a bargain with the Pacific Mail Steamship Company to carry the mails, and make the best possible arrangement he could for supplying the way-service on the line of railroad.

Q. Who is George K. Otis?

A. He signs himself secretary and agent for Wells, Fargo & Co.

Q. Do you know where he is now?

A. I saw him in the city yesterday.

Q. Has he ever held any position in the Post Office Department?

A. He held the commission as special agent for a time.

Q. Do you know when that commission issued and how long it continued?

A. I do not know that it is in force now; I only know that he did have the commission, because I saw it.

By Mr. PETERS:

Q. State the nature of that special commission. Is it a paying office?

A. There is no pay attached to it.

By Mr. BROOMALL:

Q. What is the inducement to accept such an office when there is no pay attached to it?

A. I presume the inducement is the free ride on the railroads.

Q. What are the duties attached to it?

A. To look after depredators and guard the interests of the government generally.

Q. Do you know if Otis is still a special agent in the Post Office Department?

A. I do not.

Q. Did he negotiate the contract with Wells, Fargo & Co.?

A. No, sir; that contract was negotiated in New York. The Postmaster General and myself went to New York on Sunday, the 18th of October, for the purpose of making some arrangement for the carrying of the mail. We met there Senators Morgan and Cole, the postmaster of the city of New York, Horace Greeley, and the directors, I suppose, of the firm of Wells, Fargo & Co.

Q. Will you state, if you please, what conversation took place on that occasion, as far as you remember, in connection with this matter?

A. There was a great deal of conversation. Wells, Fargo & Co. positively refused to carry the mail at less than $1,745,000, and they represented that they had been carrying it since the 1st of October by the request of the Postmaster General.

Q. What was the object in having these gentlemen present?

A. To consult as to what would be the best to be done under the circumstances. When I suggested that we would send our Pacific mails by sea and the isthmus once a week, Senators Morgan and Cole and Mr. Greeley were very emphatic against it. They stated that people who were accustomed to receive daily mails would never consent to a weekly mail.

Q. Who first suggested the project of getting those gentlemen together to have a consultation over the matter?

A. The Postmaster General, so far as I know.

Q. Do you know the distance between the termini of those two roads?

A. It is 319 miles on the book; but I had a telegram yesterday saying that they had shortened the distance 40 miles more.

Q. I see an estimate upon page 2 of the Postmaster General's letter in answer to the resolution from Congress, based upon what he supposed to be the actual reduction as to the past, and estimated as to the future; and by that estimate he makes the amount that will be paid to Wells, Fargo & Co. $670,144. Will you look over that table and see whether, as to the past, the estimated shortening of the distance is correct?

A. These distances are taken from the official report of the engineer of the railroad.

Q. Has anything transpired since this report was made out to cause you to doubt that the shortening of the distance will be as stated in the estimate?

A. On the contrary, this estimate is based upon the continuance of the contract to the 1st of August, 1869, and we have pretty good assurance that the 1st of June, 1869, will see the union of the two roads.

Q. You say you have 319 miles between the termini?

A. Yes, sir.

Q. So that 319 miles is the distance to be overcome?

A. Yes, sir.

Q. I see in the estimate that that 319 miles is not reached until some time between the 16th of April and the 1st of May. Then the actual fact is that the 319 miles is reached before the estimate counts upon?

A. That is the fact.

Q. So that it will make the amount of money to be paid to Wells, Fargo & Co. less than that contained in the estimate?

A. It will.

Q. If called upon to make an estimate now of the amount to be paid, what would be your estimate?

A. The pay to be received by Wells, Fargo & Co. as the road progresses will not reach half a million dollars. It will come to pretty near that, but not quite that.

Q. Have you ever examined the Postmaster General's report in regard to the number of horses required, and the expenses attending the transport of the mail on that route?

A. It takes, I think, 1,000 horses.

Q. Would your own knowledge of the business enable you to state whether that estimate is a fair one or not?

A. It would not. I only know from what people say. I do not know from my own knowledge how many horses it would take.

Q. Do you remember the circumstance of the Committee on Post Offices and Post Roads of the Senate meeting at the Post Office Department immediately after the acceptance of Mr. Spaids's contract? Do you know the object of that meeting?

A. The Postmaster General, not believing that Mr. Spaids would carry out the contract, wished to consult with that committee, and lay all the facts in the casebefore them.

Q. What reason had he for not believing that Mr. Spaids would carry out the contract?

A. That I do not know.

Q. Was Mr. Spaids present?

A. I think not.

Q. Was he notified to be present?

A. I don't know.

Q. Can you tell whether all the mail matter is now carried over that route, or whether a part of it is still carried by sea?

A. Such matter is carried by sea as the parties forwarding it designate to be carried by sea by marking it so, and only that. All that is not so marked goes overland.

Q. Did you get up this report, or superinduce the getting up of it?

A. Yes, sir; except on the fourth page all down to the words "I had no legal authority to make any new arrangement."

Q. Do you know whether all the correspondence and all the despatches in reference to the matter are contained here in this report?

A. Yes, sir; everything that came under my notice; everything on file in the contract office.

Q. You know of nothing omitted, unless the answer of Mr. Morrill is omitted?

A. I never saw that.

Q. Was there a despatch received from Mr. McLaughlin?

A. There was nothing received that is not published here in this report.

Q. How long before the 1st of October was it that you became aware that Mr. Spaids would not comply with his contract?

A. About the 27th of September, I think.

Q. You say he was told that the department had no power to increase his compensation, but that inasmuch as Congress had thrown additional service upon him, that that would be a good foundation for a claim against the government, and that the department would so represent it to Congress?

A. Yes, sir.

Q. Did he distinctly understand from you that the department had no power legally to increase his compensation?

A. I cannot tell what he understood, but I know that I told him so repeatedly. By the way, when I say I told Mr. Spaids, I do not mean Mr. Spaids the contractor, for I had very little conversation with him. I mean the elder Mr. Spaids.

Q. Mr. Spaids, in his several letters, asked what amount of additional compensation the department would allow him for the additional mail matter thrown upon his route. The answers, as contained in the report, do not answer this question. Why is that?

A. I think they do. Mr. Browne and Mr. Spaids were frequently in the department, and were told over and over again that the department had no power to increase the pay.

Q. Do you remember submitting an answer to those questions of Mr. Spaids to the Postmaster General, and being directed to modify it by him?

A. I do not.

Q. Did you ever tell Mr. Brown that you did?

A. I do not remember.

Q. Do you know anything about the manner in which the mail service is being performed under that contract?

A. Very satisfactorily, at present.

Q. How was it in October and November?

A. According to the evidence it was not performed as it should have been.

Q. Were they paid in full as if they had performed it satisfactorily?

A. I understand they received $250,000. I happened to see the warrant, and their actual pay should have been $297,000.

Q. So that there was that much of a difference withheld?

A. Yes, sir.

Q. Withheld by reason of their failing to fulfil the contract?

A. I cannot say why it was withheld.

Q. Do you know whether they did carry the mail from the 1st of October?

A. The evidence is that they did, but not all. I will say here that since this report was made we had a very large number of affidavits furnished by Wells, Fargo & Co., explanatory of the reason why they did not get through with the mails. But they have not been examined by me yet, nor have they been filed or briefed. We have not had time to do it yet.

Q. You do not remember going to the Senate with Mr. Spaids and his son—to the Senate gallery?

A. I remember seeing Mr. Spaids several times. I may have gone to the Senate chamber with him, but not on business.

Q. Do you know anything about the complaints made against Wells, Fargo & Co.?

A. I do not. All the complaints are here in this publication. Everything connected with the matter is there; at least we tried to get all the information, and kept nothing back.

By Mr. PETERS:

Q. Do you know any motive or inducement on the part of the Postmaster General for giving the contract to Wells, Fargo & Co. except the good of the public service?

A. I do not.

Q. Do you know of his having any interest, direct or indirect, in the contract?

A. I do not.

By Mr. BROOMALL:

Q. Had you at any time time the impression that an effort was being made to crowd Mr. Spaids out of the contract?

A. I do not think I had.

Q. Did you ever make that remark to Mr. Brown?

A. I do not remember. I cannot see why any one would want to crowd him out.

By Mr. PETERS:

Q. For what reason did the Postmaster General have the impression that Mr. Spaids would not fulfil the contract?

A. I do not know. The general impression was that Mr. Spaids could not do it.

WASHINGTON, D. C., *January* 25, 1869.

L. J. FARWELL (of Wisconsin) sworn and examined.

By Mr. BROOMALL:

Question. What is your business?

Answer. Examiner at the Patent Office.

Q. Did you call on the Postmaster General at the request of Mr. Spaids, at any time, to ascertain whether the additional mail matter would be thrown upon the route in question by reason of the act of Congress?

A. Yes, sir.

Q. Well, now state what took place between yourself and the Postmaster General at that interview?

A. I called at the Postmaster General's room, and asked him if he could tell me the amount of additional mail matter that would be thrown on the route. He said it would be almost impossible to tell. As I understood, there would be several tons, but I cannot state exactly how much.

Q. Did you communicate that matter to Mr. Spaids?

A. Yes, sir.

Q. About what time was this?

A. Somewhere from the 1st to the 15th of September; I think that was the time.

Q. Did you ever have any other conversation with him?

A. Yes, sir; after I communicated that to Mr. Spaids he then asked me if I would see the Postmaster General again, and find out what would be the additional pay. I think I did ask the Postmaster General what would be the additional pay. He said he could not tell; that it was uncertain.

Q. Was anything said about the power of the department to increase the pay?

A. No, sir.

Q. Did you communicate that to Mr. Spaids?

A. Yes, sir.

Q. Was anything said in that conversation about Mr. Spaids getting ready to stock the road?

A. Yes; the Postmaster General remarked that he did not think Mr. Spaids could carry out the contract, on account of the additional mail matter thrown upon the route. I replied that I thought Mr. Spaids could do it; that he had been over the line and made arrangements for the stock.

Q. With the additional mails? You said he could do it even with the additional mails?

A. Yes, sir.

By Mr. PETERS:

Q. Did you inform the Postmaster General that your interview with him was at the request of Mr. Spaids?

A. I think I did.

By Mr. BROOMALL:

Q. Have you any reason to suppose that he acted in bad faith to the government in giving this contract to Wells, Fargo & Co.?

A. No, sir.

Q. Have you any reason to suppose that any person connected with the department had any interest in that contract?

A. No, sir; no reason.

WASHINGTON, D. C., *January* 25, 1869.

A. M. HOBBS sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation:

Answer. I reside in Third street in this city, and I am a special agent of the Post Office Department.

Q. What are your duties in the department as special agent?

A. To look after depredations and other matters.

Q. Do you receive pay?

A. Yes, sir.

Q. Do you know whether Mr. Otis is a special agent also?

A. I have seen his name on the list, I think, for the 31st of December, 1868; that is my impression.

Q. Can you tell what object the department could have in employing the secretary of the contractors to carry the mails as special agent?

A. I cannot.

Q. If you know anything about the matter which the committee have in hand, just state it in your own way.

A. Last summer I had a conversation with Mr. Spaids in reference to this matter, and I had some conversation with Mr. Otis, the secretary of Wells, Fargo & Co.——

Q. State what that conversation was.

A. I had the conversation with Mr. Spaids first, and while I happened to be talking with Mr. Spaids about this matter——

Q. Just state what the subject of that conversation was with Mr. Spaids, and then tell us what was your conversation with Mr. Otis.

A. I had a talk with Mr. Spaids in reference to this matter on the 4th of August, I think. It might have been previous to that. The matter came up in regard to his carrying the mail, and in regard to his selling out the contract. He said he had offered to sell it to George H. Giddings for $30,000. I told him I did not know but what I knew a party that would buy it, and asked him what he would sell it for, but he was not inclined to take less than $50,000. That evening I was going to New York, and he introduced me to a gentleman named Cooke, I think, who went to New York on the same train with me. I saw Mr. Otis in New York, and told him this conversation that I had had with Mr. Spaids, and he wanted to know if $50,000 was the lowest he would take for the contract. I saw Mr. Cooke once or twice during the same day—this was the 5th of August—but I could get no definite answer out of him in regard to the price. Finally Mr. Otis said, "I wouldn't give him a cent." Said I, "Would you give a cent if you could have the contract transferred to Fargo & Co." He answered, "I would not have it transferred to them for $100,000." That was the conversation I had with him at that time. I returned to Washington in the course of a week or ten days, and the next that came up in reference to this matter was, I think, on the 27th of September, when Mr. McLaughlin, the Second Assistant Postmaster General, requested me to take two telegraphic despatches to Mr. S. P. Brown. One of these despatches was dated at Salt Lake City, and signed by Mr. Clampitt. The other was from Omaha, and signed by Mr. Dodge, I think, or signed by somebody else; I cannot think of the name. They were dated on the 26th of September; this was on the 27th. I took them up to Mr. Brown. He wrote an answer, put it into an envelope, and closed it, and I took it to Mr. McLaughlin. On the 29th of September, I think it was, Mr. McLaughlin handed me a letter, or at least an envelope which contained a letter, and asked me to take it to Mr. Brown, for him to give it to Mr. Spaids, which I did, after which Mr. Spaids received the same letter at Willard's Hotel.

Q. Is that all you know about the matter?

A. I do not recollect anything further now.

Q. In this conversation with Mr. Otis that you have spoken of, or in any other conversation, did Mr. Otis tell you that he intended to crowd out Mr. Spaids?

A. I do not recollect that he did.

By Mr. GETZ:

Q. When Mr. Otis said he would not have the contract for $100,000, did he intend to mean that it was not worth taking?

A. He said he would not have it transferred on the books for $100,000. That was all he said. The inference I drew from that remark was that he thought the amount of the contract was a great deal too small.

WASHINGTON, D. C., *January* 25, 1869.

THOMAS E. WRIGHT sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I am boarding at 63 Prospect street, Brooklyn. I am not engaged in any business at present.

A. Have you recently come over the route between the termini of the Pacific railroads?

A. I came from Boise City by the road, and from Salt Lake City, by stage, to Bryant.

Q. Whose stage?

A. Wells, Fargo & Co.'s.

Q. State whether you saw anything of the manner in which Wells, Fargo & Co. are carrying the mails upon that route.

A. Yes, sir; at the foot of Eagle cañon I saw a pile of mail-bags. I counted 32 lying on the road. There may have been more than 32, but I counted that number.

Q. Do you know how long they had been there?

A. I do not.

Q. When was this?

A. I left Salt Lake City on the 9th of December, last year, and saw those mail-bags on the morning of the 10th, between 6 and 8 o'clock.

Q. How long did you remain there?

A. About an hour and a half.

Q. And you left the mail-bags there when you left?

A. Yes, sir.

Q. Do you know in what direction they were going?

A. I presume they were going west.

Q. Did you observe anything else near that station?

A. Yes, sir; at the second stage station, west of Bear river, I saw more mail-bags standing up against one of the out-houses.

Q. How many?

A. I didn't count them; there may have been 12.

Q. You do not know how long they remained there?

A. I do not.

Q. What kind of a climate is it there?

A. There was a little snow on the ground at that time; probably about two inches.

Q. Well, did you observe anything else?

A. When I got to Bryant, in front of Wells & Fargo's station, I saw an amount of two tons of mail matter lying in the street—lying close against what would have been a sidewalk, right in the mud.

Q. Do you know how long it had been there?

A. I can't say.

Q. Could you judge from its appearance whether it had remained in that position for a long time?

A. I did not take very particular notice, beyond the fact that the bags were dirty and dusty.

Q. Did they look as if they had been damaged from the wet?

A. I can't say; they were lying in the street.

Q. They did not appear to have been in any rain?

A. No, sir.

Q. Do you know whether there was a coach going in the direction in which the mail matter was going, as indicated by the tags upon the bags?

A. The stages that we came in would return over that route again; but whether they had stages for that day or not I don't know.

Q. Do you know whether the mail matter had shelter on board those stages?

A. I know that they had mail matter drop out on the road, for the conductor of the head stage told us that he had the hind boot of his stage cut, and that the mail matter dropped out. He told us that as a piece of news.

Q. His idea was that there had been an attempt to rob him?

A. Yes, sir; and my own baggage was cut out; but it was delivered to me afterwards in New York. Ten days after I arrived there I received a communication from Wells, Fargo & Co., telling me that they had found my baggage, and requesting to know where they would forward it to. I told them to deliver it at Brooklyn, and they did so.

Q. Do you know anything in regard to the contract with these people; anything about the manner in which it has been carried out, further than what you stated?

A. No, sir; only that the letters to me from my family were not delivered regularly. They were a long time on the route, and many of them never reached me at all.

WASHINGTON, D. C., *February* 2, 1869.

GEORGE K. OTIS recalled and examined.

By Mr. BROOMALL:

Question. Were you acquainted with all the transactions which led to the present contract between Wells, Fargo & Co., and the government, as far as you know?

Answer. As far as I know, yes, sir.

Q. Was there any attorney, or agent, or broker?

A. There was not.

Q. Do you know a man by the name of Thomas Hood?

A. Yes, sir.

Q. What is his business?

A. He is district attorney for Wisconsin.

Q. Has he been in Washington recently?

A. I think I saw him about a week or 10 days ago?

Q. What was his business in Washington?

A. That I do not know.

Q. Did you see him frequently about the Post Office Department?

A. I did, frequently; almost every day.

Q. Did he have any business there that you know?

A. Not that I know.

Q. Had he anything to do with the making of this contract, or anything that led to it?

A. Not the slightest in the world that I know of.

Q. Did you ever converse with him about the contract before or since it was made?

A. Never.

Q. Have you any reason to suppose that he knows anything about it?

A. Nothing, except what he would hear through the newspapers or about town.

Q. Did you have conversations with him before he went away?

A. Not that I remember. I may have said there was an investigation pending in this matter.

Q. Did you know he was going away?

A. No, sir.

Q. Can you state where he would be found now?

A. His residence is Madison, Wisconsin. I do not know whether he has gone there or not. In fact, I did not know he had gone until the day before yesterday. I asked Governor Randall what had become of Mr. Hood. He said he had gone.

Q. When here, does he pass a large portion of his time at the Post Office Department?

A. I have seen him there nearly every day; but only for a moment or two.

Q. You do not know what his business is there?

A. No, sir.

Q. Has he a desk there?

A. I do not think he has.

Q. Could he have had anything to do with the making of this contract without your knowing it?

A. No, sir.

Q. And you say he had nothing to do with it?

A. Nothing in the world.

Q. Nor any other broker, or agent, or attorney?

A. No, sir; I was the sole individual who had anything to do with it, with the exception of Mr. Barney, the vice-president of the company, who came here to assist me.

Q. Could Wells, Fargo & Co. have paid anybody anything for procuring this contract without your knowing it?

A. No, sir.

Q. Such a transaction would have been through you if at all?

A. Yes, sir.

Q. It could not have been done in any other way?

A. I do not think it could.

Q. And you say nothing was ever paid?

A. Not the shaving of a red cent.

In relation to these charges of failure in performing the mail service under our contracts, I have here several statements on that subject, which, with the consent of the committee, I will lay before them.

The witness then presented the following papers:

SALT LAKE, *January* 18, 1869.

The undersigned, bankers, merchants, and busines men of Salt Lake City, hereby certify that their mail matter has been brought to them since October 1, 1868, to their entire satisfaction. They are not aware that any one has any reasonable cause of complaint against Wells, Fargo & Co. as contractors on the overland route.

(Signed by merchants, bankers, and business men, to the number of 54.)

SALT LAKE CITY, *January* 18, 1869.

SIR: In accordance with your wishes I have caused inquiry to be made into the receipts of the mails at my office of late; and by comparing dates, and from other information received from my clerks, find no material cause of complaint.

Very respectfully,

BRIGHAM YOUNG.

THOS. F. TRACY, Esq.,
Superintendent Wells, Fargo & Co.

I can say the same with regard to my own mail matter.

WM. H. HOOPER, *Delegate.*

TERRITORY OF DAKOTA, *County of Carter*, *ss:*

William P. Martin, being duly sworn according to law, deposes and says, that he has been a resident of Bryan since its organization, and has built several houses in that city; that he is the owner of the building known as the Hotel de Martin, in the first story of which the office of Wells, Fargo & Co. has been situated; that he lived constantly in the above-named hotel from the time he rented the office to Wells, Fargo & Co. until they were ordered out of Bryan. Deponent saw the mails received here every day, and noticed that they were never delayed at Bryan, when regularly received at the office of Wells, Fargo & Co. On several occasions it occurred that no mails reached Bryan for two, three, and more days at a time; but when they did come, then passengers and express matter were invariably refused transportation until after all the mails had been forwarded. This exclusion of passengers and express occurred frequently, and was the source of great complaint by travellers, who were thereby delayed at much expense in Bryan. The merchants of this city and places westward suffered severely in their business by the complete occupancy of the stages in the mail service.

Deponent says that there was not one day upon which the mails were received by Wells, Fargo & Co., if before stage time, that they were not promptly sent forward; and he has seen the stages recalled after starting, to take on the mail happening to arrive out of time. In such instances it was commonly seen that express matter already loaded was thrown off to make room for the mails. Deponent has seen a large quantity of mail at one time in front of the office of Wells, Fargo & Co. here, but its accumulation was caused by the irregularity of eastern mails, which, not arriving daily, would at last reach Bryan in great quantity. At such times the entire facilities of Wells, Fargo & Co. here were put in requisition to transport the sudden surplus thrown upon them. At times these large mails would arrive after the hour when the overland stages had departed westward, when the mails, if room could not be had otherwise, were carefully piled on the sidewalk, in front of Wells, Fargo & Co.'s office, and then watched by a reliable man until the next day's coaches took them away. Deponent says that at Bryan, as well as other railroad towns, it is not often possible to find inside storage for the most valuable articles of merchandise; but in the scarcity of houses—the climate hereabouts being entirely free from rain in the summer and fall seasons—out-door storage is generally deemed perfectly safe. In the case of the mails arriving here in the night-time, deponent has known that in-door storage could not be procured; but at the same time they were so protected and watched that injury to the mail was totally impossible.

Deponent has recently visited the stage station at the end of the Union Pacific railroad, whence Wells, Fargo & Co. were directed to receive the mails, and he found that at that point a still greater want of houses existed than had hitherto been the case at Bryan; but that there, also, the contractors were exercising the same care and diligence as marked their management in this city, under circumstances almost equally adverse. Deponent says that the stock and stages of Wells, Fargo & Co., while at Bryan, were always adequate to the business of the overland route, including that of passengers, mail, and express; and that so ample and complete was their establishment, that the mail would never have been delayed a single day at Bryan if the trains from the east had regularly arrived. It was only when the mail thus unavoidably accumulated that any delay in transportation did occur.

Deponent is personally acquainted with the employés of Wells, Fargo

& Co., who were in the office here, and knows them to be. without exception, men of the strictest integrity. An instance of loss or damage to property, or of injury to the mails, has not been known to take place at Bryan since Wells, Fargo & Co. opened their office at Bryan.

W. P. MARTIN.

Sworn to before me and subscribed this 29th day of December, 1868.

DENNIS J. TOOHY,
Justice of the Peace.

TERRITORY OF DAKOTA, *County of Carter, ss:*

George W. Bothwell, being duly sworn, says that he is the keeper of a restaurant in Bryan city, nearly opposite Wells, Fargo & Co., and receives goods almost daily by their express. Deponent says that he was formerly an express messenger for the American Express Company, and is from that fact naturally interested in express business, and given to taking notice of it. Says that he has frequently known passengers to be detained at Bryan on account of the heavy mails with which the coaches were laden, and so leaving no room for travellers. Affiant says that he has frequently noticed large quantities of express matter, particularly oysters, which he called the agent's attention to, for the west, lying over at Bryan for want of room in the stages. Affiant has seen the mails lying in front of Wells, Fargo & Co.'s office, and having observed them, knows that they (the mails) have been forwarded with despatch, and that not one mail has lain over there for more than two days; but being augmented by new accumulations, on account of the irregularity of trains on the Union Pacific railroad, the pile of mail has in consequence remained, apparently, about the same size for a day or two.

GEO. W. BOTHWELL.

Sworn to and subscribed before me this 28th day of December, A. D. 1868.

DENNIS J. TOOHY,
Justice of the Peace.

A. J. Smith, clerk in the wholesale grocery store of T. T. Comforth, at Bryan city, says that he has carefully read the annexed affidavit of W. D. Morton, and that he is acquainted with the facts therein set forth and knows them to be true. He also says that he knows the merchants of Bryan suffered great loss from the fact that for many days Wells, Fargo & Co. would transport no merchandise westward from Bryan, they having been exclusively occupied in the United States mail service.

A. J. SMITH.

Sworn to and subscribed before me this 28th day of December, A. D. 1868.

DENNIS J. TOOHY,
Justice of the Peace.

TERRITORY OF DAKOTA, *County of Carter, ss:*

A. C. Cochrane, a route agent in the service of the Post Office Department, says that he is acquainted with the manner in which the United States mails have been received and transported by Wells, Fargo & Co. at Bryan, and from his knowledge thereof he believes that the letter mails have been generally transported with promptness and despatch from Bryan. Affiant says that he has seen, on several occasions, large quantities of mail matter in front of the office of Wells, Fargo & Co. at Bryan, which he believed to have been entirely paper mails awaiting transportation, but did not at such times examine them further than to note that they were rapidly sent away. Deponent is unable to state whether the accumulation of those paper mails was caused by the constant arrival of new matter or by delay at Bryan.

A. C. COCHRANE.

Subscribed and sworn to before me the 28th day of December, 1868.

DENNIS J. TOOHY,
Justice of the Peace

The undersigned, citizens of Bryan, Wyoming Territory, having transacted a large amount of business with Wells, Fargo & Co., at this place, and from their business connections are familiar with the manner in which the United States mails have been received and transported from this point, we cheerfully testify that the mails have uniformly been sent out from here by Wells, Fargo & Co., and frequently when they refused to convey valuable express matter for the subscribers, the coaches being at such times wholly laden with the mails. We have invariably known Wells, Fargo & Co. to refuse transportation to passengers whenever the mails at this point were sufficient to fill their stages. The employés of Wells, Fargo & Co., at Bryan, were all men of good character and worthy of confidence. We are confident, from personal observation, that the mails, while at the office of Wells, Fargo & Co., have been carefully watched by competent persons; and we have never known an instance of damage to the mail for want of care on the part of the contractors' agents here.

We can testify to the above in all of our business matters with Wells, Fargo & Co.

WILSON & MORTON, *Bankers.*

I can testify to the above cheerfully, so far as my business with Wells, Fargo & Co. is concerned.

W. P. KENNEDY,
Cash. Const., U. P. Railroad.
J. W. KEENAN,
W. B. WALTON,
W. W. CHAPMAN, Jr.

We can testify to the above so far as our business with Wells, Fargo & Co. is concerned.

TIERNAN & WILLIAMSON.

We can testify to the above in all our business matters with Wells, Fargo & Co.

KENNARD & ILER.

TERRITORY OF DAKOTA, (WYOMING,) *County of Carter, ss:*

Personally appeared before me, Dennis J. Toopy, justice of the peace, W. D. Morton, who, being duly sworn according to law, says that he is a resident of Bryan City, in said county and Territory; that he is a member of the firm of Wilson & Morton, bankers, of Cheyenne, and Bryan aforesaid; that in his intercourse with the Express Company of Wells, Fargo & Co., he has now and has hitherto had ample and extensive opportunities to know in what manner that company (Wells, Fargo & Co.) have been transacting the United States mail service at Bryan City, and that from his knowledge he is able to testify, and does testify, that he has seen the employés of Wells, Fargo & Co. use more than ordinary diligence in the care of the United States mail at Bryan, and transporting the same from Bryan to other points. He further testifies and says that when large quantities of mail matter have been delivered at the office of Wells, Fargo & Co., at Bryan, (such large quantities of mail having suddenly accumulated by reason of the great irregularity of trains on the Union Pacific railroad,) he has seen the employés of Wells, Fargo & Co. exercise extraordinary care in protecting such mail matter, and employing all their coaches at this place to transport the same westward, to its several destinations. That on such occasions, namely, when the mails have largely accumulated, deponent says that he has seen the coaches of Wells, Fargo & Co. entirely laden with the United States mail to the exclusion of all passengers, many of whom have been thereby detained at this point. Deponent further says that he has seen the United States mail in large quantities on the sidewalk in front of the office of Wells, Fargo & Co., at Bryan, but such mail was invariably protected and carefully watched at all times. And deponent also says that the climate in and about Bryan is such as to make storehouses unnecessary for the protection of the most valuable articles of merchandise during the autumn and fall seasons of the year, and that the storing of merchandise out of doors has become a common practice with merchants in the city of Bryan, owing to the constant drought which prevails here. Deponent says that he has seen the United States mail matter carefully piled in front of the office of Wells, Fargo & Co., at Bryan, from the time of its receipt from the Union Pacific railroad till the arrival of coaches to take it away; but while such matter was lying at Bryan, deponent says, from his personal knowledge, he knew that the employés of Wells, Fargo & Co. watched and protected such mails with great care and diligence. That he is personally acquainted with the employés of Wells, Fargo & Co., at Bryan, and believes them to be men of excellent moral character, and worthy of confidence in the highest degree. And deponent further says that when the mails accumulated at the office of Wells, Fargo & Co. he knew that such accumulation was not in any part that of old matter remaining over for several days, but such accumulation was the large quantities of mail deposited here at times when for many days no train on the Union Pacific railroad had brought in any mail to Bryan. Deponent says that he believes the United States mail has not at any time remained at Bryan longer than two days, and then only when all the coaches of Wells, Fargo & Co. were unable to take up all that had been received at Bryan. Deponent also says that he knows the United States mails were transported by Wells, Fargo & Co. from Bryan to the exclusion of all express matter, and to the great inconvenience of the business community in general.

W. D. MORTON,
Of firm of Wilson & Morton.

Sworn to and subscribed before me this 28th day of December, 1868.

DENNIS J. TOOPY,
Justice of the Peace.

BRYAN, WYOMING TERRITORY, *December* 28, 1868.

To whom it may concern:

During my residence in this city I have had occasion every day to observe the receipt of the United States mails at the office of Wells, Fargo & Co., and take pleasure in saying that the employés of that firm gave constant attention to this portion of their business. I am one of a great number of persons who were refused passage westward on the stages which were entirely used in the mail conveyance. The employés of Wells, Fargo & Co. here were all men of strict integrity, and I have very often observed that the care of the mails superseded everything else in their office. I believe that the mails and property of the government could not be in trustier hands than those of Wells, Fargo & Co., at Bryan.

DENNIS J. TOOPY,
J. P., Counsellor at Law.

TERRITORY OF DAKOTA, *County of Carter, ss:*

Joseph S. Roberson, being duly sworn, deposeth and saith, that he is the travelling agent of Wells, Fargo & Co., and is employed exclusively in the express department, having no connection with the mails, nor with the stages, only as appertaining to the express matter carried on them. Says that he is familiar with the way in which the mails have been sent out from Bryan; that he has spent most of the time at Bryan since the mails were started from that point; that the mails at all times have been transported by Wells, Fargo & Co. when passengers and express matter were denied transportation; that the letter mail was always shipped promptly and without any delay, and the paper mail as expeditiously as it was possible to do so; that the railroad trains were very irregular in their arrivals at Bryan, many days not arriving on time, and often bringing no mail, while upon other days trains would come into Bryan carrying two or more mails at one time; that upon such arrivals the letter mail was thereupon immediately sent forward, together with as much of the paper mail as could be; the letter mail always taking precedence, and afterwards the oldest of the paper mail then accumulated, until all had been sent away. The pile of mail matter in front of Wells, Fargo & Company's office was caused only by the irregular arrival of railroad trains. At such times the mail was kept constantly under the strictest watch and care, and not a particle of it was ever stolen or even damaged in the slightest degree while thus unavoidably held at Bryan. Deponent is well acquainted with most of the employés of Wells, Fargo & Co. in the stage service, and believes them to be honest and faithful men, and against whom the slightest suspicion of tampering with or of robbing the mails has never existed. Does not believe that other persons would attempt to rob the mail, since it is a well-known fact that a "treasure-box" of Wells, Fargo & Co. (known to hold commonly large sums of money) accompanies every stage, and is equally accessible to thieves, and certainly presents greater temptation for robbery. Deponent says that the only instance of the robbery of a coach on the overland route, for a long time, occurred during the last summer, when the robbers took and carried off the "treasure-box" only, while they carefully laid aside the mails wholly unharmed. Deponent says that if, at any time, the mails have been strewn along the road, (which he does not personally know,) it could not be other than the inevitable result of some accident, but that great care is constantly had to prevent such occurrences. Affiant says that he has been employed by the contractors of the overland mails for many years, and that he is well acquainted with the service and with the amount of mails carried. Says that for some months past a greater quantity of mail has been carried than ever before; and he believes that a large proportion of it now consists of Patent Office Reports and other public documents; samples of seeds from the Bureau of Agriculture, as well as other similar matter, together with goods for news-dealers and others, has been imposed upon the service. Believes that the weight of the mails now amounts to 300 per cent. more than formerly. Deponent also says, that the facilities possessed by Wells, Fargo & Co. in stock and coaches, on the overland route, are more than double what they have been heretofore.

JOS. S. ROBERSON.

Sworn to and subscribed before me this 28th day of December, 1868.

DENNIS J. TOOPY,
Justice of the Peace.

WASHINGTON, D. C., *January* 26, 1869.

Hon. JUSTIN S. MORRILL, United States senator, appeared and was examined.

By Mr. BROOMALL:

Question. If you know anything in regard to the contract of Wells, Fargo & Co. for carrying the overland mail, please state it to the committee.

Answer. About the time the bids were opened the Committee on Post Offices and Post Roads of the Senate were invited by the Postmaster General to meet him at his office. I went up there and found the committee of the House and of the Senate, the major part of them, present, and they were discussing the propriety of the acceptance upon the part of the Postmaster General of a bid of somewhere about $335,000. There were two or three bids, I think; one something higher than this, and one upon the part of Wells, Fargo & Co. for, I think, $1,200,000 or $1,300,000. I do not remember the precise amount. The Postmaster General, I thought, seemed to be anxious that Wells, Fargo & Co. should have the business. They had a representative present, and it was suggested that the party who bid the lowest sum would not be able to fulfil his contract, and that it might turn out to be a spurious bid, and that Wells, Fargo & Co., or some other parties, might buy them up, and there would be no other recourse left for the Postmaster General but to go back and take the highest bid, where they were fully competent to fulfil the contract. I made the suggestion to the Postmaster General that if this party who had bid the lowest sum could give a sufficient bond, it was all the government required, and that it was his duty to accept such bond, if tendered; and if the party could not give such a bond, the contract should be re-advertised under the existing circumstances. Wells, Fargo & Co., by their representative then present, claimed that they would have put in a lower bid than they did, but for the fact that they supposed they were bidding to carry all the printed matter as well as the letters, and they urged that it was unfair, under the circumstances, that the contract should be given to any other party who would be able to carry only the letters, and whose bid was made evidently on the basis of excluding all printed matter, while they had bid for the whole under the proposition then pending, and expected to pass, in Congress.

Q. Who was the agent of the company present?

A. I do not remember.

Q. Did he make these representations, that the amount of their bid was upon carrying the entire mail, printed matter as well as letters?

A. I so understood it. The Postmaster General represented that they had not time for re-advertising, which would necessarily consume a certain amount of time, and that it would result in depriving the Pacific coast of their regular mails for a considerable time. I urged, as one, (I do not remember particularly what was said by the other members of the committee,) and I was very emphatic about it, that the interests of the United States should be protected; that if there had been a misunderstanding about the bids that would justify the Postmaster General in re-advertising, I thought he had sufficient authority to do that, and that the temporary inconvenience would be very inconsiderable of sending the mails around by sea, or of hiring temporary services until a proper contract could be obtained. I subsequently understood that he had accepted the lower bid, and the party who made that bid called on me afterwards. I did not see him at the time of this meeting at the Post Office Department. He represented that his bid was a bona fide one; that he could and would give ample security; that the carrying of the mails for the government of the United States was but a small part of the profits of the venture, so far as he was concerned, as he anticipated that the profits arising from carrying passengers between the two termini of the roads would be very great, as well as that for express matter. The next that I heard about the matter was a notice in the papers that there was some trouble about the mails in consequence of the failure of the party who took the contract to furnish proper facilities. Early in October I received a telegram from the Postmaster General asking me to come on to Washington immediately. That telegram was misdirected, and I did not get it till several days after its date. I immediately responded that it was impossible for me to leave home and go to Washington at that time, or something to that effect, and also wrote him by mail a letter giving him my views in relation to the whole subject, which were substantially those I had given in the first interview—that I would suspend the mail for a brief time or hire it transported by other parties, and re-let the contract; that at all events I would take care that the government interests were protected in any arrangements which might be made. I cannot remember the words of the letter; I have kept no copy of it; but it was very emphatic in urging that he should not allow himself to be circumvented by any of these parties. When this executive document, No. 14, was printed, I observed that the telegram to me and from me had been sent to your committee here, or rather had been inserted in a document forwarded to the House. I called on the Postmaster General afterwards and suggested to him the impropriety of allowing me to appear at all upon the record unless he made my record complete; and that he should have included the letter I sent. He remarked that he did not know anything about the telegrams having been sent in to the House; that he regarded my letter to him as a private one. I said to him that it was quite immaterial to me, whether private or public, but that I preferred that if my name was at all in the record that letter should also appear. He said then he would send the letter to the committee if I desired it, and I replied that I thought he had better do so. I believe that is all I know in regard to the matter.

Q. In the interview you had with the contractor, Mr. Spaids, was anything said about the paper mail or printed matter?

A. I do not think there was.

Q. In your interview with the Postmaster General some doubt seems to have been in his mind, and yours also, as to whether Mr. Spaids might not have considered himself bound to carry the printed matter, and my question now has reference to that, whether anything in the interview you had with Mr. Spaids was communicated to you on this subject?

A. Mr. Spaids was not present, I think, at that meeting. There was a discussion as to what the law required. It then required nothing but the letter mail to be carried overland; but there was a proposition before Congress that Wells, Fargo & Co. seemed to have cognizance of requiring also the carrying of printed matter, and their representative being then present claimed that their bid was made on this supposition that that was to be included. That was as I understand it.

Q. Do you know why a contract was made with Wells, Fargo & Co. allowing them some $400,000 over their bid?

A. I do not.

Q. Do you know any facts which would justify such a contract?

A. I do not. In some conversation with the Postmaster General since my arrival here this winter, and at the time I was discussing the matter of these telegrams, I think he informed me that the difficulties with the contractors were that they had to transport their hay and grain a very long distance; that they were losing money and would have to come and beg Congress for relief.

Q. Will you please furnish to the committee, if you are able to do so, to be incorporated with your testimony, a copy of the letter to the Postmaster General, to which you have referred?

A. I will endeavor to do so.

Q. Do you know anything about the second branch of our inquiry in regard to the manner in which the contract is being carried out by Wells, Fargo & Co.?

A. I do not.

WASHINGTON, D. C., *January* 22, 1869.

J. M. VANBUSKIRK sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I reside in Washington, and I am a clerk in the Post Office Department.

Q. Do you know anything concerning the contract with Wells, Fargo & Co. for carrying the United States mails between termini of the Pacific railroad?

A. Nothing more than I have heard at the department and seen in the newspapers. I think the committee made a mistake in summoning me. I had not charge of the subject. I drew the advertisement.

Q. You know nothing, of your own knowledge, about that contract?

A. No, sir. I know that there was such a contract made. I know it as every other clerk in the department would know it. I have had nothing to do with it. I have a knowledge that such a contract was made, but nothing more.

Q. You have a knowledge of it from the office?

A. Yes, sir.

Q. Do you know anybody in your department who would be able to give specific information on the subject?

A. Yes, sir. I should say that the clerk who has charge of it, (Mr. Davis,) and the Second Assistant Postmaster General, would be able to give information. Formerly I had charge of the overland service, but I had nothing to do with the contract.

Q. Do you know anything about the manner in which the contract has been performed on the part of Wells, Fargo & Co.?

A. No, sir, except from hearsay.

Q. Do you know anything about bids being made by other parties to perform the service?

A. I know there were bids from seeing them on the books.

Q. You don't know anything of your own knowledge?

A. No, sir.

WASHINGTON, D. C., *January* 22, 1869.

CARLTON SPAIDS sworn and examined.

By Mr. **BROOMALL**:

Question. State your residence and occupation.

Answer. My residence is in Chicago. I cannot say that I am in any business at present. I have drawn up a statement of a good many facts concerning the subject which the committee is investigating, and if permitted I will read it to the committee.

Witness read the statement as follows:

Statement of Carlton Spaids, of Chicago, Illinois, in regard to the overland mail contract.

On or about the 10th day of June, 1868, I put in a bid for transporting the mail on route No. 16635 from Cheyenne, Dakota, or that point on the Union Pacific railroad to which the mails were being conveyed at the time the service was to commence, on the first day of October, 1868, to Virginia City, Nevada, 1,095 miles, and back daily, (except Sunday,) in the following schedule time of nine days in summer and twelve in winter, for the annual pay of $335,000, at pro rata reduction of pay as each 50 miles of the Union Pacific railroad was completed westward and the mail service ordered thereon, and with similar reduction as the Central Pacific railroad progressed eastward. And I would further state on or about the 11th day of June, 1868, I accidently heard that Mr. Otis, Wells, Fargo & Co.'s agent, was making a desperate effort to have my bid thrown out, and I immediately went to the post office, where I was informed by Mr. McLellan, the Second Assistant Postmaster General, that, through the influence of Mr. Otis, an ex parte meeting had been called and had at the post office with a portion of the Committee on the Post Office and Post Roads of the House and Senate, for the purpose of crushing out my bid, on representations that my bid was too low, and that I would not give bonds, &c. I said to Mr. McLellan that I would like to see that committee, and asked him to go to the Capitol with me, and he consented to do so, and did go with me to the Capitol; and I there saw and talked with three or four senators of the post office committee on the above subject, and one of them said to Mr. McLellan that he was satisfied, or words to that effect, and that he had better award the contract to Mr. Spaids; and Mr. McLellan, my father, and myself then stepped into the hall of the lobby, and Mr. McLellan then said to me, if the bill that was then before the House or Senate should pass and become a law, repealing the act of 1864, and throwing the printed mail matter on to the overland route, that it would then make my contract a very profitable one, as the department would be obliged to pay pro rata for every pound of printed matter thrown upon the route by such change in the law increasing the mail. He then required me to furnish bonds within 15 days, which was, as I was informed, a very unusally short time; and certainly a very short time for me to furnish bondsmen in part of the country which I proposed to. And, as I was informed and believe, this short time for giving the bond was for the purpose of disabling me to procure the said good and acceptable bondsmen. And when I complained at the time of this hardship, and expressed my opinion to the Second Assistant Postmaster General that it was probably gotten up by Mr. Otis for the above-named purposes, he expressed himself to be of the same opinion. Still I furnished the required bonds in the required time. And I would further state that not until the 8th day of September, 1868, did I fully believe that the Postmaster General intended to force me to either surrender my contract or carry all the printed matter that would be thrown upon that route by the change in the law without compensation. I received a very unusual communication from the Second Assistant Postmaster General, at Chicago, on the 8th of September, dated Washington, July 18, 1868. Why this unusual communication was sent to my address at Chicago, after my informing the Second Assistant Postmaster General that my temporary address was in Washington, I am unable to tell, except it was to delay me in knowing the trap I was falling into until it would be too late to recover or get parties to assist me in stocking the road. I immediately proceeded to Washington, and on the 12th day of September, 1868, sent a written communication to the Second Assistant Postmaster General, requesting him to inform me, as near as possible, the amount of additional mail matter thrown upon this route by the act of Congress referred to, and the additional pay for which the department would be responsible in consequence of the additional service, and requested an immediate answer; but finding in his reply that no reliable information could be obtained, I requested my father to go in person, or employ some other party to go to the Postmaster General in person, and learn, if possible, how much additional mail would be thrown upon this route; and my father informed me that he got ex-Governor Farwell, of Wisconsin, to go and see the Postmaster General on the subject, and that the Postmaster General said to Governor Farwell it would be folly for Spaids to undertake to carry that mail on his contract, for it would be increased from 10 to 11 tons daily.

I would further state that I have made a careful estimate of what it would cost to carry the mail according to my contract, with the assistance of the most experienced stage men, and find the result as follows:

Cost of stocking the road	$85,000
Cost of running the road for three months	53,000
Cost to stock the road and run it three months	138,000
Contract pay, under the contract of $335,000 per annum, without passengers or express, per quarter	$83,750
Cost of running the road three months	53,000
Profit per quarter	30,750

Witness continued. I made that statement to show that, instead of the immense amount which it now takes to carry the mail on that route, I could have carried it at that price, without passengers or without express matter and have made a good fair profit.

Q. Do you take into account the fact that the printed mail matter has been thrown on that route?

A. Yes, sir. The letter mail averaged about 600 pounds, but when it came to larger weights we would have to run two stages a day. I have here a copy of an estimate which I made out at Salt Lake. At that time I figured the cost of stock very high, and figured the passengers and express business very low. I figured the distance at about 650 miles, which I understand is a longer distance than it was at the time the service commenced, although Wells, Fargo & Co. started at 837 miles.

Cost of 364 horses, average $150 each	$54,600
Thirty mail wagons and horses	10,500

Building stations	$10,300
Incidental wear and tear, &c	10,000
Cost of equipment	85,100

Estimated cost of conducting the service for three months:

30 drivers, at $100	$9,000
50 hostlers and laborers, at $60	9,000
Agents	1,000
Feed for 364 horses, 151 tons of hay, 402 ——— grain per day.	29,000
Shoeing	2,000
To cover sundry expenses	3,000
	53,000

RECEIPTS.

From contract quarterly, with increased pay	$335,000
From passengers, say five per day each way, making 10 daily, at $100 each, or $1,000 per day—26 days per month, for three months	78,000
From extra baggage, expenses, &c	20,000
Total receipts for three months	433,000

Total cost of carrying for three months, $53,000.

Net earnings for three months, $380,000.

Granting that there is no extra service or extra pay, and the following profit is shown:

From contract quarterly	$83,750
From passengers	78,000
From extra baggage and expenses	20,000
	181,750
Cost of carrying	53,000
Net earnings for three months	128,750

Now, supposing there are no passengers, expenses, or extra mail served, and the following profit is shown:

From contract	$83,750
Cost of carrying	53,000
Net earnings three months	30,750

or $10,250 per month.

While the government reserves the right to curtail this service for every 50 miles' extension of the railroad, they also agree to pay the contractor 30 days, or one month's *pro rata* pay for such curtailment. Therefore every 50 miles shortened on this service will reduce the profits as follows:

Fifty miles per three months	$2,500
Less extra pay from government 30 days	2,150
Loss for first three months	350

Loss for every three months thereafter on the 50 miles would be $2,500. This estimate is based on the lowest calculation of profits. In making these estimates and calculations great care has been taken to not overestimate the disbursements of equipment or cost of running.

Estimate of profit provided the service only continues six months from the 1st of October, 1868:

Taking the first calculation, and we have for six months' receipts	$866,000
Expense of carrying	106,000
Net freight	760,000
Second calculation produces for six months	$363,500
Expense of carrying	106,000
Net profit	257,500
Third calculation produces for six months	$167,500
Expenses of carrying	106,000
Net profit	61,500

with *pro rata* pay for services dispensed with added to this.

This last calculation is figured without adding the *pro rata* pay, which the contractor is entitled to for 30 days on the increase of service. That is not added to the calculation. I see in the Postmaster General's report that he says that at the price that Wells, Fargo & Co. are getting they are liable to lose from $100,000 to $200,000. I will state that, when I was communicating with the Postmaster General here, if I could have got any kind of a guarantee from the Postmaster General for *pro rata* pay, I would have been very willing and glad to have taken twice the amount of my pay and have carried the whole mail. He did not propose to me to make any kind of negotiation whatever. If he had, I would, of course, have got all I could; but if I could not have got more than twice my contract pay, I would have been very glad to have taken that. The Postmaster General puts the distance at 837 miles. I propose to show that Wells, Fargo & Co. started at a much less distance. The highest distance that I can possibly find out is 640 miles. I think it was only 550. Of course that would diminish the expense. They are receiving $224,000 and odd more than they are entitled to. I think that the Postmaster General started them, in the first instance, at a great deal longer distance than was necessary. I think it was his duty to have started them from the end of the Pacific railroad—so far as the government accepted the road.

By Mr. HUBBARD:

Q. You think that the Postmaster General started them at a distance of 800 miles, when, in fact, they have only to run some 500 miles?

A. I think they may possibly have run 640 miles. They are paid for running 837 miles. I do not think they can possibly make that distance. I propose to prove that on the 21st of October, the day that the contract was made with Wells, Fargo & Co., an arrangement was made with the Pacific Mail Steamship Company to carry the newspaper mail, and that the Pacific Mail Steamship Company is carrying now over two-thirds of the newspaper mail, and is being paid for it by the United States government, when it is the same mail that Wells, Fargo & Co. are bound by their contract to carry.

By Mr. **Broomall**:

Q. Did you surrender your contract?

A. No, sir; I did not.

Q. Did you refuse to perform it unless you could be assured that you would be allowed something for the increased service put upon you by the act of Congress?

A. I should think I did. I suppose that I would not carry the whole of the mail on my bid for $335,000, unless I had some show for extra pay for the extra service required.

Q. You were not willing to perform the service and depend on Congress for an appropriation to meet the additional expense thrown on you?

A. I did not consider that I was to look to Congress for that, but to the Postmaster General, who ordered the service. The department was responsible to me.

Q. But the fact is, that you did refuse to perform this additional work, and to look to Congress for an appropriation.

A. I think that question is answered by my letter, on page 35 of document No. 14, which I will read to the committee:

It appears that the most important part of my letter, and that portion to which I wish and am entitled to a definite answer from the department, is either overlooked or an answer purposely avoided. I am not bound to carry the mail matter thrown upon this route by the congressional legislation, referred to in my letter of the 12th instant, after this contract was awarded, without a corresponding equivalent, and was so informed by the department before the contract was executed, and it is important that this question should be settled between me and the department without delay. By giving a definite answer to the following extract from my letter of the 12th instant you will oblige me:

"Will the department inform me, as near as possible, the amount of additional mail matter thrown upon this route by the act of Congress referred to, since the contract was awarded, and the additional amount of pay for which the department is responsible in consequence of the additional service."

And further, will the department pay me quarterly, according to the condition of contract, *pro rata* pay for the additional service referred to.

Respectfully, your obedient servant,

CARLTON SPAIDS.

Hon. Geo. W. McLellan,
Second Assistant Postmaster General,
U. S. Post Office Department, Washington, D. C.

P. S.—Direct, care S. P. Brown & Son, corner Fifteenth street and New York avenue, Washington, D. C.

C. S.

The Postmaster General failed to give me any definite answer, and having received no answer to that letter of the 17th of September, 1868, I wrote again on the 29th of September, 1868, the letter which is found on page 37, as follows:

Washington, D. C., *September* 29, 1868.

Sir: Having received no answer to that part of my last communication asking the department to inform me as near as possible the amount of mail matter thrown upon the route No. 16635, by the act repealing the act of Congress approved March 25, 1864, referred to in that communication, whether the department will pay quarterly, according to the conditions of the contract, *pro rata* pay for the additional service, I have come to the conclusion that the Postmaster General has purposely neglected to give me the desired information until it should be too late to be of any service to me in completing my arrangements for stocking the road, and the only course left for me, in the absence of the required information and the uncertainty in relation to the course to be pursued by the Postmaster General, is to decline to transport any mail over this route until the payment for such service shall be settled definitely by the department or by Congress. From the best information I have been able to get, the mail matter thrown upon this route by the act of Congress referred to, after the contract was awarded, and which was not considered either by the department or myself, will amount to more than three times in weight of the ordinary mail transported over this route, or that would be during the continuance of the contract, were it not for the act of Congress referred to. This legislation not having been anticipated at the time the contract was advertised and awarded, and the department having declined to take any responsibility in the matter, I ask to have the time named in the contract to commence the service extended until the 1st day of January, 1869, so that this question can be definitely settled by Congress before the service will commence, or, if more satisfactory to the department, to re-advertise the route, so that bidders can fully understand the service to be performed. This will be satisfactory to me, and I understand this course has been suggested by the Postmaster General.

I am, very respectfully, your obedient servant,

CARLTON SPAIDS.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

That is the way they carried it on all through. I could get no kind of definite answer. If the Postmaster General had made any proposition to me I would have been very willing and glad to carry that mail for half the amount that is now being paid to Wells, Fargo & Co.

Q. Did you ever remind Mr. McLellan that he told you you would be paid for the extra service?

A. No, I do not think I did in person; that is the last letter I wrote; that ended the correspondence between the department and myself.

Q. Did you ever, after that, have any interview with the Postmaster General or either of his assistants on the subject?

A. No, sir.

Q. Nor any conversation?

A. No, sir.

Q. Do you know anything about the manner in which the service has been and is being performed by Wells, Fargo & Co.?

A. No further than what I have read in the Postmaster General's report. I was out on the plains getting ready to stock the road, if I could get any kind of guarantee for extra pay; but I was unwilling to carry the whole at $335,000. When I went out to the plains, in August, I stopped at the post office in Chicago and inquired for a letter; there was none for me. When I came back, about the 8th of September, I inquired again at the post office in Chicago for a letter, and was informed that there was none there for me. I went back to the hotel and met my father there, and he said that he understood in Washington that there was a communication for me from the department, and he said I had better go back with him and find the postmaster. We did so, and I told the postmaster that I understood there was a letter there for me, and asked him why I could not get it. He immediately went out and made search for it and found it. When I came to read the letter and see the importance of it, I proposed to the postmaster that he should write on the envelope stating to the department that I had made inquiry for the letter and had failed to get it, and stating the reason. He said that the reason for it was that I inquired on a Friday, and that on Fridays they took the letters out of the regular box to make the list of advertised letters, and that I inquired at the time the letters were out of the box, and that when I inquired the last time the letter was among the dead letters that were to be sent back to Washington. That was this letter which the Postmaster General had directed to me at Chicago, instead of directing it to me here.

WASHINGTON, D. C., *January* 22, 1869.

J. S. CASEMENT sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I am track-layer on the Union Pacific railroad. My residence is the end of the track.

Q. Do you know anything about the matter under examination before the committee?

A. I know nothing of the contract, and but little as to how the service is being performed.

Q. State what you do know about that.

A. I cannot say but that the mail service has been properly performed, with the exception of the time that this matter was in controversy. I think that Wells & Fargo's contract had expired, and I think that for a few days they refused to carry the mail at all. At that time, of course, there was a large amount of mail matter accumulated. My means for knowing were very limited, as I had been constantly at the end of the track, and had not been back at my own office more than three or four times during the entire season. There was on this occasion a large amount of mail matter accumulated.

By Mr. HUBBARD:

Q. What kind of mail matter?

A. The regular mail; the letter mail and the newspaper mail. It had accumulated in great quantities.

By Mr. BROOMALL:

Q. Do you know what the increase of service thrown on that route by the legislation of Congress, putting the book mail and the newspaper mail on it, amounted to; what proportion over the former quantity of mail matter?

A. I had no special means of information. I was requested to make a bid at that time, inasmuch as I was at the end of the road and had facilities for doing this thing; and the special agent, Mr. Ball, told me, as well as I recollect, that it would increase the mail matter about threefold.

Q. How much would that increase the cost of carrying it?

A. It would increase the cost of carrying it very nearly three times. It would require nearly three times the mail facilities provided.

Q. The government is accepting 50 miles of the railroad at a time, is it not?

A. No, sir; that is a mistake. The government accepts 20 miles at a time; but the company is not bound to run that portion of the road for the accommodation of the public; neither does it. For instance, the company did not carry the mail beyond Julesburg until the road was completed to Cheyenne, a distance of nearly 200 miles.

Q. What was the distance between the termini from the 1st to the 10th of October?

A. I do not know.

Q. You cannot state whether 837 miles was the proper distance to be charged for on the 10th of October?

A. No, sir; the mail was only being carried to Benton on our road. That is only 695 miles west of Omaha. Our road was then about 84 miles in length, but the company was not carrying the mails within over 100 miles of the end of the track. The company would not run its trains with passengers and mails any farther west on account of impeding the construction of the road.

Q. How much further are you running the mail now on your end of the road than you were on the 10th of October?

A. Two hundred and eighty-two miles.

Q. Have you any information as to the progress made at the other end?

A. I do not know to which point they are running. They have been exceedingly cautious about running their business to the end of the road, fearing that would impede the progress of construction. I know that they have dropped off their passengers and mail a long distance in the rear.

Q. How near to Salt Lake were you carrying the mail on the 1st of October?

A. I do not know the exact distance between Benton and Salt Lake. We were carrying the mail to Benton, which is 695 miles west of Omaha. Very soon after that the mail was carried to Bryant. Some time in October the mail was carried by rail 163 miles further than it was carried on the 1st of October; that is as soon as anybody could have got the mail carried to Bryant. It was carried there by rail the very first moment that the company agreed to take it.

Q. When was the road accepted to Bryant by the government?

A. I do not recollect the date. The mail was run within two or three days after the road was accepted. As soon as we could put on the necessary siding the entire business of freight passengers and mail was run to Bryant.

Q. How far was the road accepted by the government on the 1st of October?

A. I do not recollect exactly.

Q. How was this mail taken care of at the time of this accumulation?

A. The mails were lying at the depot, or at a station where there was no depot, on the ground.

Q. Who had charge of the mails during that time?

A. I do not know that any one had.

Q. Were they lying there exposed to the weather?

A. Yes, sir.

Q. No shelter at all for them?

A. No, sir; not at Bryant, for there was no building there.

Q. What quantity of mail matter was in that condition?

A. I hardly know; I should think several tons of it. There was a large quantity.

WASHINGTON, *January* 22, 1869.

CHARLES E. TILTON sworn and examined.

By Mr. **BROOMALL**:

Question. State your residence and occupation.

Answer. My family resides at New Hampshire; I am interested in banking in Oregon, New York.

Q. Do you know anything about the contract made by the Post Office Department with Wells, Fargo & Co. for carrying the mail between the termini of the Pacific railroad?

A. I never knew anything about the contract made with Wells, Fargo & Co.

Q. Do you know anything about the manner in which the contract is being performed on the part of Wells, Fargo & Co.?

A. I am not well posted as to that. Since they have commenced carrying on their last contract I have been on the route, and have noticed stations where mails have been left. Perhaps there was an excuse for that, because the stock was very much run down and could not carry what mail matter had accumulated. This was from about the middle of October until the first of November last. I saw a quantity at Bryant's station—quite a large quantity, amounting to tons—piled up outside of the tent where they kept their office.

Q. Did you see any anywhere else on the road?

A. I am very sure there was some at Weber cañon. We got there in the evening, and I am very certain there was a pile there, but to what extent I do not know; that was in the barn, under shelter.

Q. Did you see any anywhere else on the road?

A. No; I do not recollect at present.

Q. Did you see any bags scattered along the route with the contents torn out?

A. No, sir. We rode night and day, so that I could not particularly observe what was there at night.

By Mr. **PETERS**:

Q. Was this mail matter protected as well as it could be under the circumstances?

A. No; it was not protected as well as it could be, because there were tents there, and it could have been put under the tents.

Q. How is the climate there?

A. It is dry.

Q. Is it liable to rain?

A. They had snows beyond that; I have known storms on the plains this side of Bryant before the 15th of October. I left San Francisco on the 16th of October and arrived at New York on the 7th of November.

Q. Do you know whether Mr. Spaids made efforts to stock the road at the time the bids were put in?

A. I was not at that time acquainted with Mr. Spaids, but was acquainted with parties who did put in bids. I never knew the amount of the bids until after they were made public. I saw Mr. Otis after the bids were opened, and I noticed his as having been something like $1,300,000, and noticed Mr. Spaids's as being something like $350,000.

Q. State whether this bid of Otis was for himself, or for Wells, Fargo & Co.?

A. For Wells, Fargo & Co., as I understood it. I said to Mr. Otis, "I noticed your bids, and I see they are very wide apart, and I judge that either you or Mr. Spaids have made some bad calculation." He said he did not know; that they had carried the mails for the last year for a million of dollars. He said that he ought to be pretty well posted as to the cost, and that he did not think that Mr. Spaids was, and that he really did not believe that Mr. Spaids had the money to carry it out. I said to him that $1,300,000 was a pretty large sum when they had been carried out for $1,000,000, and when the service was shortened a good deal; it is my impression that you are getting pretty big pay. He said "No;" that they had lost money on the last contract, and that they proposed to make it up now. That was all the conversation I had with him in reference to it. After that Mr. Spaids came up and was introduced to me by Mr. Cook. Mr. Cook and Mr. Spaids had some conversation with my brother, and also Mr. McLaughlin, with reference to a bid that McLaughlin put in. In the mean time I went to New Hampshire. There I got a despatch from my brother stating that he wanted me to return and go at once to Salt Lake with Mr. Spaids, and that he would post me when I got to New York. When I got to New York he told me that Mr. Spaids had been there in order to make some arrangement with Wells, Fargo & Co. to purchase their stock; that at first they told him they would sell him what he wanted; and that after that they had decided that they would not sell him any unless he bought the whole. Mr. Spaids then made up his mind that he would go on and stock the road. Then my brother and McLaughlin made some arrangement with Spaids, that they would get half the contract provided the Pacific Express Company at San Francisco would take an interest in it, and they telegraphed to the president of the Pacific Express Company to meet me at Salt Lake with Mr. Spaids and see what arrangement could be made. I went there with Mr. Spaids, and we met Mr. Grimm. Mr. Grimm stated, after talking with us for a day or two, that, unless he could be satisfied in reference to the increased pay for the increased service, he did not feel like starting in it at just that time, until he saw his friends in San Francisco. We stayed there for a day or two, and in the mean time I saw some of my friends at Salt Lake, and explained to them the conditions of the bid and the contract. They were disposed to take hold of the matter with him if I would take an interest in it, and were ready to go on and stock the road, but they wanted me to take the responsibility for any increase of service. I had stated that the department here had said that without doubt the contractor would be paid *pro rata*, according to the amount of weight, for the newspaper mail. The average weight of the letter mail at that time was about 600 pounds, but the newspaper mail and the book mail had increased it to about a ton. I did not feel like taking that responsibility; one reason for that was that my brother had sent to Washington to ascertain if they would give a writing to the effect that the pay would be increased. They would not give a statement to that effect, because they said it was not customary, but they said there was no doubt that that would be the effect of it. I did not like to take the responsibility, and so, of course, the matter went by, and I went to San Francisco with Mr. Grimm. Before I left Salt Lake, Mr. Spaids requested me to say what I could do about purchasing stock and stages, and such like, at that end of the road. I did make an inquiry, and when I got to San Francisco I telegraphed back to Salt Lake to say that I could get plenty of stock, stages, harness, &c. I sent the despatch to Mr. Cook, because I did not know the exact location of Mr. Spaids at that time. Mr. Grimm and myself and friends at San Francisco got together and talked this matter over, and rather decided that we would not go into it. There was this one thing about the increase, and there was another thing about the shortness of time before the railroads would connect, and so the matter was dropped. I then went to Oregon, and was gone a month or more, and returned to San Francisco. When I got back to San Francisco, Mr. McLaughlin had received a despatch from the Postmaster General, or from Mr. McLellan, asking if he would carry the mail at his bid made here some time ago. Mr. McLaughlin telegraphed back that he would carry the mails, provided the increased service would be paid for. The department telegraphed to him that they wanted to know whether he would carry the mails at his bid, without any proviso, or something to that effect; I saw these despatches. In the mean time Mr. McLaughlin had telegraphed that he required 30 days to stock the road, which was a short time. Mr. McLaughlin also telegraphed that he would carry the mails at his bid with the increase; and also that he did not want to carry them by the way of Austin, Ruby, &c., which was a distance of some 100 or 200 miles further, but that he would take the contract between the termini of the railroads with that increase. Mr. McLellan telegraphed back that he did not understand his despatch, and then it is my impression that Mr. McLaughlin repeated it in substance, if not the whole despatch. We wondered why it was that they could not understand the despatch, for it was plain enough. He explained to him that he did not want to be sent round by Austin to Salt Lake; that that was unnecessary, and that he could not afford to carry the mails round there at the price he would get under his bid. I think they sent another despatch back, saying that they did not even then understand him. It seemed to me that the whole idea of the department was to get Mr. McLaughlin to say "no," that he "would not take the contract;" but Mr. McLaughlin did not say "no," but turned around and sent a despatch to Mr. McLellan, saying, "we want to know if you will give us the contract, provided we take it at that rate." While waiting for an answer to that, a despatch came from the Postmaster General, or from Mr. McLellan, to the postmaster at Virginia City, who had been delivering the mails to the Pacific Express Company for two or three days, saying that the department had made a permanent arrangement with Wells, Fargo & Co., and that the postmaster was to deliver the mails to them. When I came to compare that despatch with the despatches we had received from Mr. McLellan, negotiating with us, as it were, to carry the mails, I said to Mr. McLaughlin, "there is something wrong about this; they have already made permanent arrangements while they are talking with you about this thing." Mr. McLaughlin said "yes;" that "it did look as though there was something wrong there." If I remember right, the despatch to Mr. McLaughlin was dated the same day as the despatch to the postmaster at Virginia City. I told Mr. McLaughlin that as these despatches were mixed up, I would start to Salt Lake, and if anything new turned up he would telegraph me there, and if necessary I would come back, or stay there; I got no despatch at Salt Lake, and so I came on east. That was the last I knew of it until I heard that the department had made a contract for something like $1,600,000. I was never more surprised than to see that contract.

Q. Why?

A. Because I thought we would have been very glad to take it if they had offered us anything like a million of dollars.

Q. With the increased service?

A. Yes; we would have been very glad to make the arrangement, but they confined us to Mr. McLaughlin's bid. We did not dare to come right out and make the proposition to Mr. McLellan, because we thought it would be unnoticed, and so we followed his despatches, merely wanting to know if he would increase the pay; he did not make us any offer, and of course we made no advances. I said to Mr. McLaughlin: "Let us send a despatch to them and propose this to them;" but he said that that would not do, that we had got to confine ourselves to answering their despatches. We would have been very glad to have taken that contract and carried those mails. We had the stock already, we had the stages where we could pick them up within 30 days, and we could have carred the mails without any trouble.

Q. State whether this despatch to the postmaster at Virginia City is in this printed report?

A. I do not know. I saw the despatch, or a copy of it. I know that it opened our eyes, and we began to think then that we were only talking for nothing, and we gave up the idea of getting the contract at all.

Q. Do you know how much the weight of the mails upon that route was increased by the newspaper mail and the book mail?

A. No, sir; only from what I heard at the department. The weight of the letter mail was about 600 pounds, but with the paper mail it averaged about 1,900 pounds; but that weight of mail is not carried all the way through; a good deal of papers go to Salt Lake and then shoot up north to Idaho and other directions.

WASHINGTON, D. C., *February* 8, 1869.

HUGH J. ANDERSON sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I reside in Washington city, and am Auditor in the Treasury for the Post Office Department.

Q. One of the witnesses a few days ago spoke in his testimony of some difficulty between the Sixth Auditor and the Postmaster General about the payment of moneys claimed by Wells, Fargo & Co., under their contract for carrying the overland mail, and he said he was unable to give the nature of the claim, and referred us to you; please state what he matter was.

A. I declined to make the payment, not for the reason that I had any reason to believe or suspect that there was anything wrong in relation to the contract. The papers came to me in the regular form; I had been officially notified of the existence of the contract and had received the usual certificate from the Second Assistant Postmaster General that the service had been performed; but I declined at that time to make the payment simply from respect for the action of the House of Representatives, believing it to be a matter of propriety to await the report of the committee, or some action on its part which would satisfy me that the committee did not find any evidence of any impropriety.

Q. That is all the difficulty there has been?

A. Yes, sir; that is all. I had no reason to suppose that there was anything wrong about it. On the contrary, so far as I do know anything —it is very little—I suppose that the action of the Postmaster General was the best which, under the circumstances, he could make, but I had no knowledge in relation to it.

Q. State whether you have passed the accounts of Wells, Fargo & Co., and to what extent their moneys are withheld.

A. The Postmaster General, on finding that I was disinclined to make the payment, proposed a conference with the Secretary of the Treasury. That conference took place in the presence of the Postmaster General, and the Secretary thereupon sent for the First Comptroller, Mr. Tayler.

It was then decided that a portion of the money should be paid, and that $48,000, I think, or thereabouts, should be reserved; which, with the accumulated service since the 1st of January, would make an amount which was thought quite sufficient to make up any deficiency, or to meet any fines which the department might impose.

Q. Your office, as I understand it, is in the Treasury Department?

A. Yes, sir; entirely.

Q. Your office is in nowise under the Postmaster General?

A. Not at all, sir. I suppose that the very object of the law of 1836 organizing the office, and requiring all the post office accounts to be settled at the Treasury, was that there might be a distinct, independent audit at the Treasury of those accounts, as of all other accounts.

Q. Do you know anything, of your own knowledge, tending to show that the contract made with Wells, Fargo & Co. by the Postmaster General was corrupt?

A. No, sir; I have no knowledge of the kind, and I may say that I have never had any suspicion of it.

Q. Have you heard any facts stated by others whom you could name to the committee, tending to show impropriety on the part of the Postmaster General in making the contract?

A. Nothing in the world except the statement of the correspondent.

Q. What correspondent do you allude to?

A. I think his name is Mr. Smith—the correspondent of the Evening Post—the person who is said to have written the original letter making a charge against the department.

Q. Did you ever talk with him on the subject?

A. I think that Mr. Smith came to me after that letter was published and asked for some information. I stated to him that it was against the regulations of the department to give information on those points except to persons interested, and I declined to talk with him at all. I should state, however, that I did ask him if he would state where he got his information, and he told me that he did not feel at liberty to do that. I thereupon told him that I declined to talk with him at all on the subject.

Q. Do you know anything about the manner in which the contract is being carried out by Wells, Fargo & Co.?

A. No, sir; I know nothing except from the representations of the financial agent, Mr. Otis. His statement I believe you have. What I know I know officially, by the certificate of service given by the Second Assistant Postmaster General. I know nothing more except from conversation with Mr. Otis.

Q. You say that nothing occurred in your department to excite your suspicions of unfairness in reference to the contract of Wells, Fargo & Co.?

A. No, sir; nothing at all.

Q. And nothing occurred outside of the department to excite your suspicions?

A. Nothing that has come to my knowledge. The agent who appears always for Wells, Fargo & Co. is a Mr. Otis. He is very eager to get his money as soon as possible. They have had large transactions with the department, and he is always here at the time when the quarter is out, and has been very successful in getting his pay. He or his companions are vigilant in advocating the opinions of the preferments of service, of which the Second Assistant Postmaster General certifies that fact to me. I thought that he opposed this payment unnecessarily. Upon my considering the delicacy of my position in relation to it, I told him that I thought that it would be better for him and for all parties to await the report of the committee.

Q. If there had been no investigation ordered was there anything in the transaction, or anything connected with it, to have caused you to withhold payment as you have done?

A. No, sir; nothing.

WASHINGTON, D. C., *February* 3, 1869.

WILLIAM A. GILLESPIE sworn and examined.

By Mr. BROOMALL:

Q. Will you please give your name, residence, and occupation?

A. William A. Gillespie. I was connected with Wells, Fargo & Co. up to September 1, 1868.

Q. What has been your occupation since that time?

A. I had a contract with the Union Pacific railroad.

Q. Connected in any way with Wells, Fargo & Co.?

A. No, sir.

Q. Where do you reside?

A. In Dakota.

Q. What have been your opportunities since the 10th day of October of knowing the manner in which Wells, Fargo & Co. are carrying out their contract to carry the overland mail?

A. Up to September 1 I was not beyond the terminus of the railroad; since that time I have been a contractor for the Union Pacific railroad for supplies beyond the end of the track, and I made my office at Wells, Fargo & Co.'s office.

Q. Wells, Fargo & Co.'s at what place?

A. At different points; among others, at Benton City and Parker City.

Q. How frequently did you go over the road?

A. I was at the terminus of the railroad nearly all the time after I quit Wells, Fargo & Co.

Q. If you know anything about the manner in which these gentlemen are carrying out their contract you may state it.

A. Up to, I think, the 2d or 3d of October they were regularly carried. There was then an order from New York, or somewhere, to discontinue the mails; they were refused probably five or six days. Meanwhile these contractors were solicited by telegraph to take it up again, and they did.

Q. Have you ever seen mail matter exposed to the weather?

A. No, sir. The coach left the terminus of the road about an hou after the arrival of the train.

Q. Do you know or remember any instance in which the coache failed to carry all the mail brought by the railroad?

A. I do not know that I do, unless it was with very few exceptions; probably a few paper sacks—canvas bags.

Q. Do you know the reason they were left?

A. At times there might be an accumulation of papers and document in canvas bags—more than they could get on one coach. This was previous to the 1st of October.

By Mr. COBURN:

Q. You say you have seen no mail left over since the 1st of Octobe

A. No, sir.

Q. Had you an opportunity to see?

A. There was an accumulation for about a week. There was an orde as I recollect, from New York to refuse the mail; then there was an accu mulation, and it took four or five or six days to clear that up. With that exception I do not think I noticed any mail left over.

WASHINGTON, D. C., *February* 3, 1869.

Mr. **HUGO RICHARDS** sworn and examined.

By Mr. **BROOMALL**:

Question. What is your business, and where do you reside?

Answer. I am not in any business at present. I reside at Colorado.

Q. If you know anything of the manner in which the mails are being carried on the overland route by Wells, Fargo & Co., state it?

A. My observation has been that Wells, Fargo & Co. have been carrying the mails regularly, from the fact that I have been in their office pretty much all of the time from very early spring until late in the fall, and since the 1st of October have been in the office pretty nearly constantly. And every time the cars would arrive at the office, being there I had letters every day; and being a particular friend, and once in the employ of the company, I looked round and saw how things were going on—felt an interest in it. My impression is that the mails were carried forward regularly, to the exclusion of both express matter and passengers. I was there at the starting of the coaches almost every day.

Q. Do you remember or know instances in which the mail matter was carried to the exclusion of express matter or passengers?

A. Yes, sir.

Q. How frequently?

A. Well, I do not know how frequently. I have seen them have large packages of express matter for Salt Lake, at the terminus of the railroad, laid over on account of an excess of mail matter.

Q. How frequently have you known passengers to be left on account of mail matter?

A. I do not know, sir. I did not make any particular note of it.

Q. Have you really seen them?

A. Yes, sir.

Q. Have you seen mail matter lying on the road at any time?

A. No, I never did. I was never beyond the terminus of the road. There is where I principally spent my time.

By Mr. **COBURN**:

Q. Did you see any mail matter left over there at any time?

A. Yes, sir. I have seen mail matter lying at Bryan, just as Mr. Roberson says.

Q. How often?

A. Well, more or less mail matter was lying there pretty much every day?

Q. Do you say that mail matter was left over every day?

A. No, not every day; I think once in two or three days; and then it was the mail enclosed in canvas bags—documents, papers, and different things.

WASHINGTON, *February* 4, 1869.

WINFIELD SCOTT SMITH sworn and examined.

By Mr. **BROOMALL**:

Q. State your residence and occupation?

A. I reside in Washington, and am a journalist. I am manager of the Evening Press Association.

Q. Do you occupy a seat in the reporter's gallery of this House?

A. I do.

Q. By the order of the Speaker?

A. Yes.

Q. The committee is examining into the subject of the making of a contract between the Post Office Department and Wells, Fargo & Co. for carrying the mails on the overland route, and also into the manner in which that contract is being carried out by Wells, Fargo & Co. Your name has been given to the committee by one of the prosecutors as a man who probably would know something about it. Please state what you know and your means of knowledge, on both branches of inquiry.

A. My means of knowledge I consider very good. In relation to the Wells, Fargo & Co. contract, I would state that I suppose I was the first one to make any charge about it directly through the papers. I made charges against Postmaster General Randall in relation to it and to several other cases—the Arizona fraud, and the Key West fraud. I think mine was the first publication made. Of course I have no direct knowledge. My information must come necessarily from others.

Q. Take the first branch of the inquiry first—the circumstances attending the making of the contract?

A. My information in relation to that is entirely from men who are connected with the Post Office Department. Their names I cannot give you this morning, from the fact that there are a great number of them whom I have talked with. I made memoranda in my note-book, which I have not with me, as I did not know whether it was on this subject or on the subject of Alaska that I was subpœnaed this morning.

Q. State all that you can this morning.

A. I prefer just to furnish you the list of names of witnesses.

Q. We want to get at what you know.

A. My information comes from parties connected with the Post Office Department. That information is given to me of course in a confidential manner. We hold it to be so, at least.

Q. It is because your information is said to come from the Post Office Department, directly, that we want it. That is why it is valuable to us.

A. I can give you the names of a number of witnesses, and can state to you that from those witnesses, without specifying which one exactly, I obtained my information.

Q. Let us hear first what the information is.

A. My information in reference to the letting of this contract in the first place was this: Proposals were advertised by the Postmaster General and bids were made. After those bids had been opened I first heard that Mr. Spaids had made a bid for $335,000, I think, and I then heard that that bid had been cancelled. That was the first knowledge I had in relation to it. Then my attention was called to the fact that the Postmaster General had made a contract with Wells, Fargo & Co. for the same route, at the rate of $1,750,000, and that a former bid of $1,300,000, I think, had not been accepted. I do not know whether I can give you anything more specific in relation to it without reference to my notes. I made a good many notes of it at the time. I did not come here this morning knowing that I was to testify on this subject.

Q. You say, then, that you are unable to testify until you get your notes?

A. I am unable to give anything like a connected account of it.

Q. State whether you are the author of this article from the New York Evening Post of the 1st of February:

WELLS, FARGO & CO.'S CONTRACT.

[*Special despatch to the Evening Post.*]

WASHINGTON, *February* 1.

Serious complaints are made against the committee charged with investigating the contract with Wells, Fargo & Co. for the overland mail service. Those who are pushing the investigation represent that the committee refuse to summon important witnesses who would testify against the Post Office Department, and in every way shield post office officials from damaging evidence.

It is also represented that witnesses favorable to the contractors are permitted to write out questions which are to be asked them before the committee, while no other questions are propounded.

A. Yes, sir; that is part of my article; the whole article was not published.

Q. Are you the author of this one in the New York Tribune? (referring witness to the paper.)

A. No, sir.

Q. Do you know who is?

A. I suppose the Washington correspondent of the Tribune, Mr. James R. Young, wrote it.

Q. Tell the committee what led to your writing the article which you wrote?

A. Various facts; one of them being a conversation which I had with Mr. Spaids in relation to the matter.

Q. What was the conversation that you had with Mr. Spaids?

A. Mr. Spaids was in my office several days ago, and was talking about the matter. He asked me what I thought in regard to it. I told him that I did not think that an investigation, such as the most urgent friends desired, would probably be had by that committee.

Q. Why did you tell him that?

A. From the fact that I knew a good many men who could give evidence in the matter—at least they told me they could—and who, when they found that it came before this committee, were of opinion that the matter would not be probed to the bottom.

Q. Give us the names of these men.

A. I have not got them down on my notes.

Q. Can you name any of them now; I mean those who told you that, inasmuch as the matter came to this committee, it would not get a full examination?

A. Quite a number told me so; perhaps I talked to as many as 15.

Q. Name some of them.

A. I name General H. Markland, a resident of this city and a lawyer. He was formerly special agent of the department, I think, or had charge of the army mails during the war, under General Grant. I give you the name also of J. M. McGrew, chief clerk in the Sixth Auditor's office; also the name of M. A. E. Miley, of the Sixth Auditor's office; Mr. Jewell, of the Sixth Auditor's office; also of Mr. Hazlett. I think he is the pay clerk in the Sixth Auditor's office.

Q. Can you name anybody else?

A. There are quite a number of others, but I cannot recollect them now.

Q. Did they give you any reason for supposing that the matter would not have a fair examination before this committee?

A. There was this feeling: It was common talk that Mr. Farnsworth desired it to come to this committee, and it was supposed on account of his being chairman of the post office committee, and on account of his being on very good relations with Postmaster General Randall, that he would probably not desire to have an investigation which would serve to damage the post office officials.

Q. Do you believe that those men who told you know something about the matter?

A. Yes, sir; I think that some of them, at least, do. I also had another reason: Mr. Spaids told me that he was here while Mr. Otis was examined; that a certain question was proposed to him (I think by you) as to where he was living in the city; that the answer was made that he was stopping with Postmaster General Randall, and that you spoke out and said that that was the best evidence in the world that there was no collusion between Wells, Fargo & Co. and the Postmaster General, because if there was collusion between them Mr. Otis would have gone to some hotel or to some other place, and would not have remained in the house of the Postmaster General.

Q. I do not understand what you inferred from that.

A. I inferred from his conversation that as fast as a witness testified, a certain construction was put upon his language entirely favorable to the Post Office Department.

Q. Do you mean to say that that article was written with a view to charge fraud and perjury on this committee?

A. No, sir; I do not.

Q. What other construction than that can you give to it?

A. I think the article speaks for itself—that it was charged that a fair investigation could not be had. Mr. Spaids also claimed that he gave the names of certain witnesses, and that they would not be summoned.

Q. Did he give you any reason why they were not summoned?

A. No, sir; he did not. He told me that he gave the names of witnesses who would testify to the fact that the president of Wells, Fargo & Co. had made a direct offer to his son through a third party to relinquish the contract, and that the committee had refused to summon him.

Q. Can you tell what bearing that would have on the investigation, if it was proven?

A. I am not supposed to know what bearing it would have.

Q. Why, then, did you infer that the refusing to send to California for a man to show that, was evidence of fraud on the part of the committee?

A. I did not know anything about witnesses in California.

Q. Why did you infer that refusing to call a witness to prove that, was evidence of fraud on the part of the committee?

A. My own inference was from what he told me, that a fair investigation could not be had.

Q. Point out wherein that which you have just stated, if proved before the committee, had anything to do with the question?

A. I do not know that I can point out specifically what bearing it has, but from the whole tone of his conversation I gathered that much from him.

Q. That this committee was acting fraudulently?

A. No, sir, not fraudulently; but that there had been a refusal to summon witnesses. I considered also that that $20,000 that was offered to Spaids (or whatever sum was mentioned) had a bearing to a certain extent; it was a circumstance tending to show that there was something wrong about the contract.

Q. You inferred because the bidders were, as they always are, endeavoring to crowd one another out, that the Post Office Department was in collusion with one set. Was that your inference?

A. I do not say that they were. Such a thing is probable, at least. So long as that contract of Mr. Spaids's was before the Postmaster General, Wells, Fargo & Co. of course could make no contract whatever with them.

Q. Your information which induced you to put this article in the Evening Post was obtained from Mr. Spaids?

A. Yes.

Q. The disappointed contractor?

A. I do not know whether he was a disappointed contractor. I believe he is the father of the contractor.

Q. Are you in the habit of getting your information from one side and publishing it as all the information you can get in the case?

A. We are in the habit of making similar despatches to this.

Q. Were you paid for sending this by anybody?

A. I was not; I am not paid for any despatches.

Q. Did you show that despatch to anybody except Mr. Spaids before you sent it?

A. Mr. Spaids never saw it.

Q. Or anybody?

A. I think not; probably my assistant did.

Q. Did you show it to any member of Congress?

A. I did not.

By Mr. **Getz**:

Q. Did you have any conversation with Mr. Washburne about this investigation?

A. I think that probably I did before the matter was referred to this committee.

By Mr. **Broomall**:

Q. Not since?

A. Not to my knowledge.

Q. Did you have any conversation with Mr. Ela about it?

A. I did.

Q. Since the matter came before this committee?

A. I think so.

Q. What was that conversation?

A. We have talked several times in relation to it, and Mr. Ela's opinion was the same as mine on that point, that the investigation would not show that there was anything wrong in the Post Office Department.

Q. What was his conclusion as well as yours?

A. Yes. We talked this matter over and talked over some other matters.

Q. Are you intimate with him?

A. Not intimate. I see him often.

Q. Did you show this article to him?

A. I did not. I think he never saw it.

Q. With what papers besides the Evening Post do you correspond?

A. With the Philadelphia Bulletin, the Boston Traveller, the Cincinnati Chronicle, the St. Louis Despatch. I have telegraphic correspondence with them, and I write letters for others.

Q. Your despatches are to sell, I suppose?

A. No, sir.

Q. Do you not get paid for them?

A. I am connected with those papers, and have a weekly salary.

Q. And you feel that your price consists in the amount of startling intelligence you hunt up for them?

A. No, sir; I receive my salary, no matter if I do not send a word at all.

Q. But if you obtained no news and sent no sensational despatches I suppose you would lose your place?

A. Not at all, sir; I do not take that as a sensational story.

Q. Would you retain your place if you did nothing?

A. I do not suppose that anybody would retain his place if he did nothing for it. I do not suppose that even members of Congress would.

Q. So that this getting up of stories is necessary for your business?

A. There is no getting up of stories; I get statements from other parties and telegraph them. We get all the information we can. I get most of my information from members of Congress.

By Mr. **TABER**:

Q. Did Mr. Ela express the opinion that it was the purpose of this committee to whitewash the investigation, and not to get at the truth?

A. I do not know that he used the word "whitewash," but in the conversation I had with him, and in general conversation, he has expressed the opinion that he did not think that the truth would be got at by this committee.

Q. That it was the purpose of the committee not to get at the truth?

A. No, sir; I do not think he said that.

By Mr. **GETZ**:

Q. This second paragraph reads: "It is also reported that witnesses favorable to the contractor are permitted to write out questions." Did Mr. Spaids give you that information?

A. Yes.

Q. Did Mr. Spaids tell you at the same time that when this investigation commenced he had all his questions written out, and acted here for several days as chief questioner?

A. No, sir; he did not.

By Mr. **TABER**:

Q. When did you and Mr. Ela first have this conversation as to the probable action of this committee?

A. Probably within a week; he was in my office giving me some information.

Q. Immediately after the matter had been referred to the committee and after the committee had been in session?

A. I do not recollect whether it was before or after; I remember the conversation with him.

By Mr. **BROOMALL**:

Q. I want to get at the opinion he expressed in reference to the course that would be pursued by this committee?

A. I think it was probably the same night, or the next after the matter was referred to this committee, he expressed the opinion that the truth would not be got at before this committee, as certain witnesses would not come forward and testify, and the committee would probably not know anything about them.

Q. And that was the reason he assigned?

A. Yes; that certain witnesses would voluntarily make statements, but could not be drawn out, and that the committee would not know anything about them. I have had witnesses tell me that they could tell things, if they were disposed, that would show up this Post Office Department in certain transactions.

Q. Make up a list of their names?

A. That is what I propose to give you to-morrow. The feeling has been quite general among those who advocate this investigation, that this committee would not be able to get at the truth, or would not get at it.

Q. Was it the feeling that the committee did not wish to get at the truth?

A. Some have so expressed themselves.

Q. Members of Congress?

A. I do not know whether they were members or not. I have talked with a number of members in reference to it.

By Mr. **HUBBARD**:

Q. Does Spaids claim that he did not have a full oppportunity to present witnesses?

A. Yes, sir, I believe he does; he told me that he did not intend to have anything more to do with the committee—that he was satisfied that the committee was going to make a whitewashing report.

By Mr. **GETZ**:

Q. Did Spaids at any time request you to pitch into the committee?

A. No, sir.

Q. Did he pay you?

A. No, sir; I am not in the habit of being paid for anything except by the papers with which I am connected.

Q. You have been offered pay, I suppose, a hundred times?

A. Yes, sir; I have been offered pay. I have been told of certain members of Congress receiving large sums, and I probably could tell of members who have received such sums of money.

By Mr. **BROOMALL**:

Q. Can you tell me?

A. I can.

Q. Who are they?

A. I do not choose to tell their names now; the matter does not concern this business.

Q. Does it concern the Alaska business?

A. No, sir.

By Mr. **GETZ**:

Q. If you choose to take pay for the influence you have, generally you could make more than by your connection with the papers?

A. Yes, sir; ten times, twenty times as much.

WASHINGTON, D. C., *January* 29, 1869.

A. W. **RANDALL** examined.

By Mr. **BROOMALL**:

Question. Please state your residence and your official position.

Answer. Washington; Postmaster General.

Q. The committee are acting under a resolution directing them to inquire into the circumstances connected with the making of the contract by your department with Wells, Fargo & Co., and the manner in which it has been carried out. We have before us your report, transmitted in answer to a resolution of the House, but thinking that you might have something to add to it upon the subject, we have requested you to appear.

A. I shall be very glad to give any information I can. If the committee will direct my attention to the points upon which they desire it, I will state such other facts and circumstances as I now recollect.

Q. The committee rather desire that you should make your own statement in the first instance, if you wish to say anything in addition to what is contained in your report.

A. That report is a substantial statement of the facts of the matter. There were, however, a good many little circumstances connected with it previous to making the contract; I do not know that I can state all of them, but I will give the committee such as occur to my memory as I go along: We advertised, as the law required, for bids for carrying that mail; ordinarily our advertisements have to be for four years, but on account of the closing of this gap and the approaching completion of the railroad, we made a different advertisement in that case. The bids that were received ranged from $335,000 to $1,350,000. The margin between those bids was so wide that I saw at once that the men who made them must have bid from entirely different standpoints and different notions as to what was to be done, and I called on the post office committees of both houses, or as many of the members of those committees as I could, to consult with them about it. I thought that the lower bids were so low that no man could perform the service for the sum mentioned, and I said so to the committees. The other bid I thought too high, more than ought to be paid, and I said that to the committees. My judgment was that the difficulty arose in offering the bids in consequence of a bill that was then pending before Congress to change the law in respect to mail matter to be sent over that route. When we advertised that bill was pending; I think it had passed one house, but I am not certain about that. Wells, Fargo & Co. said that their bid that seemed so exorbitant was put in upon the presumption that that bill would pass. About the other bids there were several different statements. We understood that those parties had bid in reference to the amount of mail matter that was then being carried over that route, but information came to us afterwards that their bid had been made anticipating that if that bill did pass they would be entitled to a pro rata increase of compensation for the additional amount of mail matter that should go over the route after the 1st of October. I said to the committees, "These men have evidently bid from different standpoints, and there is too wide a range between them. These small bids are entirely too small, and I do not believe that this lowest bid would more than buy horses to stock that route, from what I understand to be the cost of them there." Therefore my judgment was that we had better advertise the matter again. The committees had a consultation about it, and finally concluded that I had better not do that, but had better wait and see if Spaids executed his bonds on his bid, and if he did not, then to do the next best thing I could. I tried to explain to the committees the difficulties there were about it; that I would have to advertise again if he failed, and that I believed he must fail, and that that would postpone the time for the commencement of the service until late in the season, and that the consequence would be that the mails would have either to lie for a long time without being carried at all, or we would have to pay an enormous price for temporary service. But finally we concluded to take the chances, so we made the contract with Spaids to carry the mails for $335,000. Then that act of which I have spoken became the law, authorizing the department to send all printed mail matter over that route without charging letter postage. Several times the query was raised as to what additional compensation we were going to pay for that service. I said to every one who spoke to me about it—and there seemed to be a good many agents of Spaids who came and interrogated me about it—I said to them, "I cannot make any arrangements about it until I see whether Mr. Spaids is going to perform his contract. While that contract stands I have no authority to modify it or to make any change about it whatever." I had a good deal of trouble with this matter, more than any other thing that came before the department, and it arose in this way: Reports came to me constantly that Spaids was telling on the streets, and in other places, that he had got a great contract, and was going to make a large amount of money out of it; and one report came that he or some friend of his had had a consultation with some member or members of Congress, who had told him that he would be entitled to a large additional compensation if the weight of the mails upon that route were much increased; and then he wrote (or came personally) and inquired of Mr. McLellan to know what additional compensation would be paid him, and when we would make the arrangements about it. I told Mr. McLellan that I did not understand this thing, if there was any catch about it, and to be very careful how he committed the department to pay anything beyond the contract price until we saw whether Spaids was going to perform his contract. Whenever the question was asked we replied that we expected Spaids to perform his contract as he had agreed to do, and as the law required him to do, and that we could make no new arrangements until that contract expired. The question was raised whether the law that authorizes additional compensation for "increase of service" would not authorize the Postmaster General to pay additional compensation for additional amount of mail matter. We never had given that construction to that law, but had always construed it to mean by "increase of service," not an increase in the amount of mail matter, but either an increase in the length of the route or in the number of trips; because if we had adopted the other construction we might have to make a change in the compensation every month. In the spring there would be a very large amount of mail matter from Washington, documents, &c., for which the compensation would have to be increased, only to be decreased again when that press of mail matter ceased. Uniformly, therefore, so far as I have known, that law has been construed by the department as I have stated. When I heard that Spaids had been consulting with members of Congress, who had told him that he would get additional compensation, I knew that we would have trouble about it. Mr. Farnsworth was here, and I tried to keep him to consult with. Along about the latter part of September, three or four days before the 1st of October, when the service was to commence, the department was notified by Spaids that on account of our not making a new arrangement with him he would not perform his contract. Perhaps two weeks before that I saw Mr. Spaids, (and when I say Mr. Spaids I mean the old gentleman, for I do not think I would know the young man if I saw him,) and he told me that he was going off. He seemed to be angry that no new arrangement was made to enable him to fulfil his contract, and the next thing I heard of him was that he was in New York trying to sell his contract, and the next thing was this notice that he would not perform it. I was very much embarrassed about it. I telegraphed and wrote to Senator Morrill, of Vermont, (of the Senate post office committee,) urging him to come down. I did so because he was that kind of a man in the Senate upon whom and whose word, if there was any trouble in the matter, I believed the people would rely. Mr. Farnsworth said that he could not stay here to examine into it. He thought it was an awkward predicament, and said that it had turned out just as he had predicted when the law passed, but that he could not stay, and that my shoulders were broad and that I must get through with it in some way. Mr. Morrill, also, was unable to come. He wrote me, however, one or two letters, and I wrote him two or three letters, explaining the difficulties that I labored under. Then, hearing that Senator Cole had come over from California, and that Senator Conness was in New York, I took Mr. McLellan and went to New York. I may say that before that I had spent a good deal of money and time in telegraphing, trying to get some way to have the mails carried. My great anxiety was about that—to get the mails carried. We had a proposition, a very high one, from Brigham Young, and a proposition from a man who purported to be the agent of the railroad, offering to carry the mails until the gap closed for a round sum of $1,500,000. I am not certain now whether that proposition was for a year or until the gap closed, but it was estimated that it would amount to about the same thing. I did not want to carry all that load alone, and I did not know what to do with it. The man who represented the old contractors threatened that if they could not make a permanent arrangement they would throw the mails down. I applied to their agent as a personal friend; asked him as a personal favor not to do that, saying that it would do the department a mischief and would do me a mischief, and I asked him to carry the mails for some reasonable time until I could see whether I could make an arrangement with other parties, and told him that I would give the company the same rate of compensation for the time they did carry it that would be given under the contract to the other parties with whom I might make an arrangement, and that if the department did not finally make an arrangement with other parties, but arranged with them, they should have the same rate of compensation for the time between the 1st of October and the time of making the contract. I went to New York with Mr. McLellan with the view of consulting gentlemen there upon the subject. I thought that Mr. Conness was there at the time, but was informed that he was out of the city. I got Mr. Kelly to go and see Senator Morgan, and to find Senator Cole and Mr. Greeley, (who had been over that route, and I thought knew something about the difficulties of the service,) and then I asked Mr. Kelly to get some reputable business men together with whom I could talk the matter over. He did so. He had several gentlemen there whose names I do not now recollect, but among those present were Isaac Sherman, a prominent and reputable gentleman, Mr. Morgan, Mr. Cole, and Mr. Kelly himself. We met at my room at the Astor House, and I detailed to them the history of the bids that had been made, and the predicament in which the department found itself. Then I showed them the estimates we had made of the expenses under the different bids, and I said: "Gentlemen, this is a larger load than I want to carry. I anticipate trouble about it, and I want you to advise me what to do." They figured and consulted upon the subject, and finally advised me to take this proposition, starting on the basis of 837 miles and $1,750,000, the compensation to be reduced *pro rata* as the road should be completed.

Q. Was that advice in accordance with your own opinion?

A. My judgment was that that was the best proposition, but I gave no advice upon the subject. I detailed to those gentlemen the propositions that had been made, and the estimates of the department made upon the supposition that that gap should be closed before the 1st of August, and said that those estimates satisfied me that this would be much cheaper than any of the other propositions; but, as I had gone there for advice, I gave none.

By Mr. HULBURD:

Q. Was Spaids or his representative, or Wells, Fargo & Co. or their representative, present at any time during this consultation?

A. Wells, Fargo & Co.'s agent was there present.

By Mr. BROOMALL:

Q. Spaids had before that time given up the contract?

A. Yes; his contract was at that time out of consideration, and the question was, what arrangements we could make with some one else. There was a bid of McLaughlin's for $460,000, and he telegraphed that he could put the service on in 30 days; but Senator Cole said that it was no use to talk in that way, because neither he nor any other man could put the service on that route in 30 days, even with an abundance of money; and "Another thing," said he, "suppose you accept that proposition, you have no security for its fulfilment, and when the end of the 30 days comes you may have a large amount of mail matter on that route with nobody to take care of it or be responsible for it." We talked over the passage of the law I have referred to, and the difficulties of the service across the plains, and Mr. Greeley said to me, "If you get off with an expense of less than a million of dollars you will do well." That is the remark that Mr. Greeley made, and that is just what Mr. Farnsworth had said when the bill passed.

By Mr. **Hulburd**:

Q. Were Wells, Fargo & Co. or their representative at that meeting cognizant of the expectation that the gap would be closed in August?

A. Only in this way: Before we went there I had advised with the Secretary of the Interior with the purpose of finding out when, in his judgment, the gap would be closed. I talked there with Senator Cole on the same subject, and from what the Secretary told me and what the senator said about it I formed that expectation.

Q. Wells, Fargo & Co. knew that?

A. Yes; we told them then. It was all talked over in their presence. Wells was there, Fargo was there, and their agent was there. There were also several gentlemen there whom I did not know; business men whom Mr. Kelly had invited in.

By Mr. **Broomall**:

Q. State whether your expectations as to the time when the gap would be closed have been realized, or whether since then you have had occasion to change your mind about it?

A. I think we calculated the time it would take to close the gap as 10 or 11 months; that would bring it about the 1st of August; but the road was completed the first quarter much more rapidly than we anticipated it would be; the work has gone on during the winter months much more rapidly than we anticipated, because we thought there would be very little done during December and January; so that about five-eighths of the distance was cut off during the first three months, and if the balance of the road is completed as rapidly as this part has been, the gap will be closed much sooner than we expected.

Q. Do you know the difference between the termini now?

A. Mr. Browning told me on Tuesday that they had received no returns lately, but were expecting some, and that he calculated that the distance now was about 250 miles. I saw in the paper this morning that he had got a report of another section completed; that will reduce the distance still more.

Q. I see by your statement, upon which your calculation was made of the amount of money to be paid to them, that you supposed the termini would not have approached within 250 miles until the 1st of June; so that you are all the way from now to the 1st of June in advance of your calculation.

A. Yes, sir. At that time we did not anticipate that during the winter season they would do the enormous amount of work that they are doing; they have got eighteen or twenty thousand men to work there.

Q. Your estimate counts upon nothing being done between the 31st of December and the 1st of April?

A. We thought something might be done, but we did not anticipate the completion of any part of the road during the winter season.

Q. According to your estimate made then, Wells, Fargo & Co. would receive $670,000 on that contract?

A. Yes.

Q. In consequence of the approach of the termini what change will be made in those figures, in your judgment?

A. If the road be completed as soon as appearances indicate, I do not believe they will get half a million of dollars. Some persons think they will get about $550,000; but I do not believe it. It is thought by some that the road will be completed by the 1st of May.

Q. In several letters written by Spaids shortly before he threw up the contract he presses the question as to what the department is willing to pay him for the extra service put upon the route by Congress; and I understand you to say (and I have no doubt that you are right in the law) that you had no power to allow extra compensation at all; that that was for Congress; and yet in none of your replies to him is that question answered. What struck me in reference to that, as a member of the committee, was that it would have been but fair to Spaids for you to have said that you had no power, and that he would have to look to Congress?

A. Well, we did not think anything about that, because it had been common talk. A great many men had come and talked to me about it, (men whom I supposed were runners for Spaids;) and to them I did say, "I have no authority to do this under the law; I am ruled by that, and I propose to be governed by that;" and when these reports came about his consultations with members of Congress, and about his wanting to get some admission from the department upon which to claim additional compensation, I told McLellan to be very wary about making any such statements, because I did not propose to commit the department and get into trouble about it. I did not want either Congress or the department committed in the matter. I said: "If these men perform additional service under that contract it will be a fair case for Congress, and they ought to get additional compensation, but we have no authority to guarantee it, or to take any action until after the time when the service is to commence."

Q. Do you know any officer of the government who is a stockholder, directly or indirectly, in the business of Wells, Fargo & Co.?

A. I do not. I never owned a share of stock in a company but two: one the company that built the first railroad in Wisconsin, (which stock enabled me to vote,) and the other an oil company.

Q. Have you any reason to suspect that any member of Congress or any officer of the government is in any way, directly or indirectly, interested in this contract of Wells, Fargo & Co.?

A. No, sir; I have no reason to suspect that any one is interested in it. I have never heard of any member of Congress who had any stock in it, nor of any officer of the government. That is a very reputable company, and has a very large amount of stock; and a great many very reputable gentlemen do own stock in companies; they are not loafers or blacklegs, but gentlemen who, no doubt, like to make money out of their investments. In reference to this contract of Wells, Fargo & Co. with us, I have not any doubt that instead of making a large amount of money out of it, as the newspapers say and advertise, they will lose $100,000 or $150,000. The expense on that route is enormous.

Q. Do you know anything about the second branch of the committee's inquiry—the manner in which the contract is being performed by Wells, Fargo & Co.?

A. I only know from the reports that come to the department. Reports come both ways. There are reports from men who say that they have seen the mails turned out of the coaches, and that mails have been lost on the road; and then there are other reports explaining these, with statements and affidavits. In one case it was reported that quite a large amount of mail matter was seen lying in a ditch, where it had been left. An explanation came about that to the effect that it was a bad place, where the railroad was built across the route, and that the coach turned over and killed the driver and horses, so that the mails had to lie there until they could get other teams to get them out. There came other statements in reference to large amounts of mail-matter being piled up at the ends of the road; that the road was sometimes blocked up so that two or three days' mail came in at a time, and were piled up; in short, that there was a larger amount of mail matter than the stock then on the route could take care of. I understand this to be so, and that sometimes the mail has to lie over two or three days, but that they get it off as fast as they can. I understand that the rule they have adopted is to get off the letter mail first, and the rest as fast as they can. Sometimes they have undertaken to fill up the coaches and tie the mail on, in order to get it through, and then sometimes the mail has got wet in the canvas sacks in which it is carried. Those sacks are not the best kind of protection for the mail in all kinds of weather, but we cannot provide against snows and storms for such distances. The character of these routes is very peculiar. I do not think that any other people in the world but the American people would ever undertake to carry a mail 2,000 miles through a wilderness in a coach. It is like undertaking to carry a mail from here to Portland, in Maine, by stage-coaches carrying their own supplies, if there were no settlements on the way and no houses good for anything. Some of the members of Congress who have come over that route say that there are places where they have to draw water for their stock ten or twelve miles, there being no other water along the route than that which is alkaline, and which would kill the horses. Wendell told me that he saw, at this end of the road, corn sold at from 15 to 20 cents per pound, and hay at $400 per ton. He said that the enormous amount of stock (grain, hay, &c.) being constantly used by the company in building the road consumed pretty much everything that they could carry on their road from the Missouri river west; and Brigham Young telegraphed that the reason he made his bid so high was that the grasshoppers last fall had destroyed pretty much everything there was in the valley.

Q. I see a letter addressed to the department by D. B. Ball, dated at Omaha, December 2, giving an account of the improper manner in which the company were carrying the mails, or, at least, of what he had discovered, have you anything to add to that from your own officers?

A. There are reports from other officers and postmasters since then; some that we have not briefed yet in order to see whether they should not be fined for not having performed the duty faithfully.

Q. From your recent information is the case made better or worse than by that report?

A. A good deal better. I talked with Mr. Ball about that, and he told me that he had been over there once a month, and that he had seen some of those irregularities. They explained them in the way I told you: that sometimes the road would be blocked up, or a train would get off, or something of that kind would occur, and they would have three or four days' mail coming in at the time, and would have it piled up there, sometimes where there were no houses about, and where they would have to put it in a tent and set a guard to watch it. A great many men say that they have seen quantities of mail matter piled up in that way, and that they were getting it off as fast as they could.

Q. You spoke, a while ago, of having received one or two letters from Senator Morrill, of Vermont. Have you these letters with you?

A. I have one. He wrote me two. The other one I cannot find, but I think I can state the substance of it. It was not an official correspondence. I simply gave him the reason that I wanted him to come down; and in his letter he told me to be careful not to get cheated. In this letter he advised me to make a temporary contract for the transportation of the mails, and to advertise over again. In my letter I explained to him that I could not make a temporary contract, because the only men who had the means to carry the mail there were those who were carrying it, and if I did not make a permanent arrangement with them they would take off their stock; not being willing to run any chance about it. Then, if I advertised it it would be six weeks before I could make a new contract, and it would take the new contractor at least six weeks more to stock the road; so that we would be thrown into mid-winter, when the new contractor would be unable to get supplies of grain, &c. The fact is, the whole thing was surrounded by perplexities and difficulties, and I did the best I could, and I think I made a good contract under the circumstances—a contract that was better for the department than for the company, as it turned out. The completion of the road goes on so much more rapidly than we thought it would that the contract is getting better and better every day. It starts out with a very formidable sum, ($1,750,000,) and at first sight, without explanation, it might look like a cheat; but a simple calculation will show how rapidly the amount decreases as the road goes on. The other letter that I got from Mr. Morrill was substantially the same as the one I have spoken of, telling me not to get cheated, and to make a temporary arrangement; but I could not make a temporary arrangement, because there was nobody to make it with. I had either to throw the mails down—that is, stop their going over that route—or do the best I could in this way.

Q. What is the character of the commission that Otis holds as agent in your department?

A. It is a kind of a complimentary paper that is sometimes given by the department, just as railroad companies sometimes give a complimentary pass over their roads. A good many members of Congress have had them. Mr. Colfax has had one, and some members of the post office committees have had them. The paper gives them a chance to go into the mail car and smoke, and to go free over the road. The company have sent all our agents free over their stage routes at great expense to themselves, but no cost to the department. Mr. Otis had one of those commissions. I think Dennison had given him one, and I renewed it when I came in.

Q. Was there any pay attached to it?

A. None, whatever.

Q. Any special authority as an officer of the government?

A. None at all. It was simply the same as a complimentary pass that you might get from a railroad company.

By Mr. PETERS:

Q. He has no duty, unless assigned to duty?

A. No; and he would not be assigned to duty without being sworn.

By Mr. **Broomall**:

Q. Did you communicate to the contractor all the information you had about the amount of mail matter that would be put upon that route by the act of Congress?

A. Yes, sir; but we could not tell. So far as we had any information, I suppose it was communicated by McLellan. I directed it to be done. We could not tell until after the 1st of October what the additional amount would be, and then only by actual weight; but we knew what amount went by sea, and we assumed that a considerable portion of that would go over that route. We could only estimate, but we had no doubt that the amount would be largely increased.

Q. You had no intention to deprive him of any information?

A. No, sir; but I had no definite information to give him.

Q. Had you any information, after the Spaids contract was accepted, of his attempts to sell it to other parties?

A. I was told a great many times that Spaids was in New York trying to sell his contract or to make some arrangement about it. One of the other contractors told me that.

By Mr. **Plants**:

Q. There has been suspicion abroad, and rumors afloat, and an effort to substantiate by evidence here, that it was your purpose to crowd Spaids out and give the contract to Wells, Fargo & Co. in any event; was there any truth in that?

A. No truth whatever, sir. I would have been very glad if Mr. Spaids could have performed that contract at his bid; but when I told the committee that I thought I had better advertise again, I said that I thought Wells, Fargo & Co.'s bid was too high and that Spaids's was too low; and besides, from what I heard of his circumstances, I did not believe that Spaids had any means to carry out such a contract. The best estimate that we could make was that it would take the amount of his bid to furnish horses for the service, let alone all the other expenditures, the building of stations, coaches, &c. Therefore it seemed utterly impossible that he could perform the service for the price, and I looked upon the whole thing as a farce, and had no hesitation in saying so. I would have been very glad to have made a contract with anybody else than Wells, Fargo & Co., and I spent six or seven hundred dollars in telegraphing, trying to make arrangements to have the service performed economically and so that there would be no swindle about it. I had to make this contract, however, in order to get the mails carried; but although it starts out with such a large sum, I am satisfied it was the best that could have been made. Spaids's pay under his contract was to be $335,000, and he expected to be paid besides *pro rata* for the increase; but according to my estimates, if the road is going to be completed with the rapidity indicated by its progress up to this time, the present contract will not cost the department more than half a million dollars; while Spaids's bid and *pro rata* pay in addition would give him sixteen or seventeen hundred thousand dollars, and possibly more.

Washington, D. C., *February* 3, 1869.

Mr. **Joseph Roberson** sworn and examined.

By Mr. **Broomall**:

Q. State your occupation.

A. I am employed by Wells, Fargo & Co. as travelling agent for their express.

Q. Do you know anything about the manner in which Wells, Fargo & Co. are carrying the mails on the overland route?

A. Yes, sir; I do.

Q. State, first, what your opportunities of knowing are.

A. My position gives me charge of their express business. I have nothing to do with their mail, but I had direct supervision of the agency at the end of the railroad where they receive the mail, and having that supervision I took a good deal of pains to see that the mails were cared for properly.

Q. What is this express business?

A. Well, we do a legitimate express business from Omaha all through the western States and Territories.

Q. Do they carry letters in the express?

A. Yes, sir. They all have the government postage on them, though.

Q. You have charge of that express?

A. Yes.

Q. Do you know who has charge of the mail matter?

A. Yes; W. H. Cottrell is the superintendent. The last advice I had of him he was in Austin, Nevada.

Q. Do you know whether the mail matter is as well taken care of as the express matter?

A. Yes, sir; and a good deal better.

Q. How so?

A. Because we take more pains with the mail matter than with the express matter. It is always carried to the exclusion of express and passengers.

Q. Do you remember any instance in which the express was carried and the mail left behind?

A. I do not think I do, sir. I never saw it done.

Q. How many instances do you remember of the reverse?

A. It was an almost daily occurrence; but I don't remember any particular instance.

Q. Where are you stationed?

A. I claim Salt Lake City as my home, but my business is along the line from Omaha to Salt Lake City.

Q. How frequently do you go over the route?

A. I am on the road almost constantly between Omaha and Salt Lake City. That necessarily takes me over the stage route as far as Salt Lake City.

Q. Have you seen mail matter at any time scattered along the road?

A. I have never seen any mail matter lying on the road since the 1st of October, except at Bryan, the terminus.

Q. State when you saw it there, and how it happened to be there, if you know.

A. I have seen a mail lying there frequently. It lay there because it was impossible to get it away. The railroad trains were so irregular that there would be such an accumulation of mail matter that the stages could not carry it. That mail would have to remain there, but the letter mail was always carried promptly on the day that it arrived, and as much more as could go on two stages. I have seen the stages loaded with the mail, the boots and the purchase full, and the stages refusing passengers and express matter. That was the order from the general superintendent of the line, and I think it was fully carried out.

Q. When was that order first communicated to you?

A. I do not remember. It was always considered to be the rule, but I also remember an order coming positively to that effect. It did not go directly to me, but to the agent. It came in the fall, some time about the 1st of October, but I do not remember the exact time.

Q. Do you remember any other case in which mail matter was lying along the road?

A. No, sir; I have never seen any mail matter lying on that route, except at the terminus, and then any one accumulation never lay there exceeding two days; but sometimes it would appear as though it lay there a week, because one day there would be no mail, and the next day two mails would come in, more than the stages could carry, and by the time that accumulation was cleaned out there would be another failure of the railroad, and another accumulation of mail matter, and it looked as if the same matter was there all the time. But those mails were always taken care of. We employed a man to watch them. The mail lay right in front of the office—there being no room for it in the office.

Q. Out doors, exposed to the weather?

A. Yes, sir; there being little or no rain or snow in that country.

By Mr. COBURN:

Q. How much mail matter was carried daily, on an average, over that line?

A. I forget the amount. We weighed it for a good while, and I knew exactly then, but I don't remember now.

Q. Do you remember any of those weights?

A. I don't, but it was a large amount of mail.

Q. Can you state it by bulk, then; how many wagon loads or stage loads were there?

A. Sometimes two or three tons, and I have known as high as six tons.

Q. What did it consist of?

A. Letter sacks and paper sacks, public documents, &c.—the ordinary mail matter.

Q. How often did you pass along that road from Salt Lake City to Omaha—I mean, now, from August until December or January, till the time you left?

A. I left Omaha on the 6th of January; I don't know that I passed over the entire route from Salt Lake City to Omaha more than twice or three times between August and the time I left.

Q. Do you mean to say that you passed three times from Salt Lake City to Omaha, and three times back, between August and the 6th of May?

A. Yes, sir; and a good many more times over different portions of the route.

Q. Did you go over the whole route three times?

A. Yes, and perhaps more; I don't remember.

Q. Where did you spend the greater part of your time?

A. I made Bryan my headquarters.

Q. How far is that from Omaha?

A. Eight hundred and sixty miles.

Q. How long did you stay there?

A. I was there almost every day for two or three months, going back and forth on the line.

Q. Who attends to the mail the other side of Salt Lake City?

A. There are several division agents and superintendents there.

Q. You never went beyond Salt Lake City?

A. Yes, in August—I think it was the 19th of August—I was in Wadsworth.

Q. How often did you go from Salt Lake City to Wadsworth?

A. I was only over that route once in August.

Q. Did you see any mail matter on the road then?

A. I did not.

Q. You do not know anything about the condition of the mail over that route?

A. If there had been any lying on the road I should have seen it, necessarily, from my business on the route.

Q. Where was that mail at Bryan lying?

A. It was lying just in front of our office, about as far as from here to that door.

Q. Out-doors?

A. Yes, sir.

Q. How long did it lie there?

A. It lay out there sometimes three or four hours, and sometimes twelve or twenty-four hours; never longer than forty-eight hours.

Q. Did it rain on it?

A. I don't think it did.

Q. Had you any tent to protect it?

A. No, sir; we had a man there who was employed to watch and take care of that mail, and there never was a sack lost.

Q. Did you have only one man employed to watch the mail?

A. During the night. In the day-time we were all there.

Q. Why was that left there, do you say?

A. Because it could not be put upon the stages.

Q. Could you not get stages enough?

A. Well, the service only called for two stages a day, and if the mail had come regularly from the east that number could have carried it.

Q. Was none of that mail left there finally?

A. Not a bit of it—not a paper.

Q. You say that the railroad failed to carry the mail regularly, and that it came in large masses?

A. Yes, sir.

Q. How often did the railroad make such failures?

A. It was almost a daily occurrence for a month or six weeks. The trains were due at Bryan at 11.40, and sometimes that would not get in until two or three hours, or six or eight hours, after the time; and I have known them not to arrive for a day, or two days, from the east. At other times the trains would arrive and there would be no mail.

Q. How often did the railroad trains fail to bring in the mails from August up to the time you left?

A. You know they have only been regular since October.

Q. Well, from the time they began?

A. I cannot tell you the number of times, but it was very often.

Q. What do you mean by very often—a dozen times?

A. I don't know exactly—probably not more than three or four times.

Q. Then you say the train would bring the mail some days, but it would be too late for the stages that day?

A. Yes, sir; and the next day it might be the same way, and that would throw two mails there, and sometimes there would be three mails.

WASHINGTON, D. C., *February* 2, 1869.

THOMAS FITCH sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation?

Answer. I reside at Belmount, Nye county, Nevada. My business is that of a lawyer.

Q. If you know anything as to the manner in which Wells, Fargo & Co. are carrying out their contract with the government, please state, in your own way, what knowledge you have on the subject.

A. I have had occasion to travel over the road, between Austin and Virginia City, Nevada, some twelve or fourteen times within the last two years. On several occasions, while riding on the outside of the stage, and particularly between Stillwater and Mountain Mills, I have been present when letter-mail sacks were picked up which had evidently fallen from another stage. On one occasion we picked up two, about a mile apart, between Stillwater and Mountain Mills. On another occasion one very full letter-mail sack was picked up. This, I think, was in March, 1868. All this picking up of mail sacks was prior to the 1st of April, 1868. I was present in Austin, for about two or three weeks, in the latter part of November and the early part of December last, when several ox teams arrived in town drawing wagons loaded with paper mails. The packages, many of them, were torn and broken, so that in unloading them many of the papers flew out about the streets. I saw many of the contents of these packages that were distributed at Austin, in the post office there, containing eastern papers of the months of September and October, and this was in the early part of December when they arrived. The paper mail received by these ox teams which was not distributed in Austin was stacked up, some of it in the post office, some in Wells, Fargo & Co.'s building, and some of it, I think, remained there for a period of over 10 days. During these 10 days Wells, Fargo & Co. were sending at least one daily stage from Austin to the railroad station at Argenta. Sometimes these stages carried out this mail matter and sometimes they did not. When there were no passengers, or very few passengers, or very little express matter, the stages were loaded with this mail. When they were full of express matter and passengers there was less mail carried. The letter express of Wells, Fargo & Co. is served, as far as it comes within the range of my observation and experience, with great promptness and fidelity. Most of us who live there patronize Wells, Fargo & Co.'s express for carrying our letters, because we have no faith in the mail service. Wells, Fargo & Co.'s letter express is carried on the same stages with the mail. I never knew or heard of any packages of letters sent by the Express Company that were lost or behind time. If there be any such case I have never heard of it. During the time I was in Austin, last spoken of, in the latter part of November and early part of December, the average time of the stages between Argenta and Austin, a distance of about 90 miles, was 30 hours, and sometimes it was several hours over. The stock on the line between Argenta and Austin at that time was very wretched.

Q. You speak of seeing mail matter, carried along the road at different times, dropped from stages; state whether you have seen anything of that sort since October last.

A. I have not.

Q. Have you travelled over the road since that time much?

A. I have been over the road but once since then.

Q. And you observed nothing of the kind then?

A. No, sir.

Q. You do not know how the company is carrying out their contract now, except so far as you have stated in reference to their letter express?

A. I do not, to my own knowledge.

Q. You speak of some irregularities in delivering the paper mail; was that since October 1, or before?

A. That was since October.

WASHINGTON, D. C., *February* 3, 1869.

Mr. JESSE D. CARR sworn and examined.

By Mr. BROOMALL:

Question. Please state your residence and occupation.

Answer. I am a resident of San Francisco, California, and a stock-raiser and mail contractor.

Q. Do you know anything about the circumstances attending the making of the contract with Wells, Fargo & Co., for carrying the overland mail?

A. I cannot say that I do know anything particular about the circumstances—nothing of my own knowledge.

Q. Do you know anything about the manner in which the contract is being performed by Wells, Fargo & Co.?

A. I came overland in December, and the first part of January. In doing so I passed over their line the last of December, and I saw nothing that led me to believe but what it was being performed as well as any one could perform it at that season of the year.

Q. What did you observe that struck your attention?

A. I did not observe anything very remarkable at all.

Q. Did you come over in the day-time?

A. Day-time and night-time; they run night and day.

Q. You did not observe heaps of mail matter along the route?

A. No, sir; not that I recollect.

Q. Was there mail matter on the stage with you?

A. Yes; I came on through from San Francisco without stopping, and a letter was received here which left San Francisco at the same time that I did.

Q. What would be the cost of stocking that route, if your knowledge of the business enabled you to estimate it?

A. What length of road do you mean?

Q. Eight hundred and thirty-seven miles to begin with, and to carry 6,000 pounds of mail matter.

A. I do not think you could stock it to carry that amount for less than from $300,000 to $500,000.

Q. How many stages would it require?

A. It would require two daily stages, I should think, each way; fully that.

Q. How long would it take a stage to go through?

A. I should think from 8 to 10 days; 8 days at least.

Q. How many times would that require altogether?

A. I have not figured on it, sir.

Q. Eight times four are 32; that would be the number, would it not?

A. Yes, sir. I know I made some estimates at the time that I was applied to about it. I was applied to in California to know if I would not take an interest in this contract.

Q. If you made any estimates in consequence of that application, state what the result was.

A. Well, I made some estimates at the time, I recollect, but it was only for one daily stage each way, and my estimate then was that a daily line each way could not be started for less than $250,000. I did not make any estimate beyond this weight of mail matter.

Q. Were you aware at the time you made the estimates that Congress had changed or was about to change the law which required the heavy mail matter to go by sea?

A. Yes, sir; I was aware of that fact, but it was stated to me that these parties' bids only included the letter mail.

Q. Whose bid was it that you were applied to to take an interest in?

A. Spaids's bid.

Q. Have you met Spaids since?

A. No, sir.

Q. Have you ever met him?

A. No; I never saw him in my life—do not know him.

Q. You have been over the route only once?

A. I have been over it frequently. I have been over it only once since the 1st of October. These gentlemen who applied to me had an idea that upon that bid he would receive something over $1,000,000 for the service. They figured to me that they would receive something over $1,000,000 by the extra pay for the extra mail matter.

Q. That was the representation made to you to induce you to take a share in the contract?

A. Yes. It induced me to figure on it a little, but I told those gentlemen that it was impossible to stock that route in so short a time.

Q. Did you refuse?

A. Yes; I refused to have anything to do with it.

Q. On account of want of time to stock it?

A. Not only that, but because there was no money in it.

Q. Even if you should run up to a million of dollars by reason of the extra mail?

A. Yes, even so; I could not see that there was much money in it—knowing the country as well as I did, having passed over it four or five times, and knowing the inconvenience as to stations on the route—there being in fact no stations except what Wells, Fargo & Co. possessed.

Q. That is all you know about either branch of our inquiry?

A. I presume it is. I was applied to two or three times to know if I would take an interest in the matter or take charge of it, not entirely but to some extent—to see if I would be one of the party to start it.

Q. Who applied to you?

A. It was Mr. C. R. Graham, president of the Pacific Express Company, and also Mr. Coe, one of the managing men of the company out there.

By Mr. COBURN:

Q. On what basis did you make the calculation that it would cost from $300,000 to $500,000 to stock that route to carry that mail?

A. I did not say that I made a calculation upon that. I only made a calculation upon the basis of one daily line each way.

Q. Well, on what basis did you make that calculation?

A. I do not recollect now my figures exactly, but I made my calculation to put stock on the road, build the stations and have two or three months' supply of forage on hand.

Q. How many stages did you estimate for?

A. I cannot recollect my figures, because I did not give it a thought afterwards.

Q. How many horses?

A. I cannot recollect, because I did not give it a thought afterwards.

Q. If you did not think of it then, how many do you think now it would require?

A. I cannot tell you without figuring on it.

Q. Then you mean to say that you do not recollect how many stages you estimated it would require, or how many horses or how many stations it would require, or how much harness it would require?

A. Yes, sir; I mean to say all that—that I do not recollect it now.

Q. Are you sure that you made the calculation?

A. Yes; I am sure that I made a calculation.

Q. What did that calculation go into—horses, stages, stations?

A. It went into all that would be required to start the mail, as in my judgment it ought to be carried, with some few months' supplies on hand. I forget the exact amount.

Q. What did the whole calculation amount to?

A. My figures were about the quarter of a million.

Q. Then you did not make it from three to five hundred thousand?

A. I named that amount when this gentleman asked me how much it would cost to start it double. My calculation of $250,000 was for a single daily line.

Q. Was his question for two lines?

A. Well, he asked me how much it would take to carry 6,000 pounds of mail matter, and that would require two lines in my judgment.

Q. Could one line carry 3,000 pounds?

A. Yes, sir; one line could do it.

Q. What size team would it take?

A. Four horses could do it, but it would be a pretty heavy load for four horses, making the time that stages are generally expected to make.

Q. And take passengers too?

A. Yes.

Q. How many pounds of letter mail did you estimate for?

A. I do not recollect; something les than a thousand pounds.

Q. Near a thousand or near five hundred?

A. Over five hundred—between five hundred and a thousand.

Q. Do you know anything about the actual amount of letter mail carried across there daily?

A. I do not.

Q. Did you ever know?

A. I never knew the exact amount. I only figured upon what was represented to me as about the daily weight of the mail.

Q. You did not obtain any official information on that subject?

A. No, sir.

Q. You are not sure then that you knew anything about the actual amount of mail matter that was carried across there?

A. Only from what was represented to me.

Q. Who made those representations to you?

A. I think it was Mr. Graham or Mr. Coe.

Q. Who is Mr. Coe?

A. He is one of the managing agents of the Pacific Express Company.

Q. Has he anything to do with Wells, Fargo & Co.?

A. No, sir; not that I am aware of.

Q. Had he any interest in any of those mail contracts?

A. Not that I am aware of.

Q. Where is his residence?

A. San Francisco.

Q. What is the Pacific Express Company, with which he is connected?

A. It is an express company there, something similar to the express company of Wells, Fargo & Co.

Q. Have they anything to do with carrying the matter across the plains?

A. Not that I am aware of; but from their conversation I supposed that they wished to have something to do with it.

Q. Were they bidders?

A. Not that I am aware of; but they wrote to me that they were offered a part of Spaids's contract, or could get it—in fact, I think one of them came to Salt Lake City to meet some one in reference to the matter.

WASHINGTON, D. C., *February* 8, 1869.

W. SCOTT SMITH recalled and examined.

By Mr. BROOMALL:

Question. If you desire to make any statement or explanation in regard to the testimony you have given here, the committee will hear you.

Answer. In my testimony the other day I stated that I had no direct knowledge of fraud in the Post Office Department myself, and that I knew of no person who could give direct information in regard to it. The question was then propounded to me whether I had talked with any person recently in regard to this matter, and I stated that I had, and in reply to another question I gave the names of two or three parties with whom I had talked about the matter, and I stated that they had told me that they knew nothing positive about the matter, and I told the committee that it would be useless to summon them; that they could give no direct information. On Saturday I met several of the persons alluded to and they told me they had been summoned before this committee, and they were asked whether it was true or not that they had given me personal information in regard to frauds in the Post Office Department, to which they replied that it was not; that they had given me no such information. I desire to say that I did not testify before this committee that they had given me direct information. On the contrary, I stated explicitly that I had no positive information myself and did not believe that these witnesses had.

Q. And that you did not know anybody that had?

A. Yes, sir; that I knew no person that had any positive information.

Q. In your first testimony you stated you knew a great many persons who could give us positive information upon the subject, and show corruption in the Post Office Department; that you were not able to do it then because your memorandum book was at home, but that you would come the next day and give us the names, and what each one would probably prove. The next morning you gave us some names and the committee directed them to be summoned, and you were told by me to appear the next morning or see me in the afternoon, between 2 and 4 o'clock. You did not, however, come.

A. I think you are incorrect in your statement. The names I gave you was in answer to a question whether I talked with anybody in regard to a white-washing report, and I told you I talked with several in regard to it and gave you the names.

WASHINGTON, D. C., *February* 5, 1869.

W. SCOTT SMITH recalled and examined as follows:

By Mr. BROOMALL:

Question. You, as I understood yesterday, told the committee that you started these attacks upon the Postmaster General, in connection with this and other contracts?

Answer. Upon the general subject of contracts; yes, sir.

Q. About what time was this?

A. Some time in December last.

Q. Were you assisted in that by anybody?

WITNESS. How assisted?

Q. Were you assisted by anybody in making the attack; was anybody concerned with you in having the thing done?

A. No; my object was to get an investigation, in order to show up the fraud, if there was fraud committed.

Q. Who was concerned in that?

A. I do not know that any one was concerned in it. Certain things were told me which I published. Nobody told me to publish them. Wells, Fargo & Co. were not the sole objects of my attack; and, so far as they were concerned, I did not understand the matter fully.

Q. Did you confer with anybody about these attacks?

A. Nobody saw the despatches until they were published.

Q. And they came out from time to time?

A. No, sir; I never made but one attack, and said nothing further on the subject until this investigation was ordered.

Q. You spoke yesterday of being able to furnish us the names of witnesses who would give the committee the information they desire to obtain, and said you would give the committee information of what these witnesses would probably swear to; are you able to do that now?

A. I think I stated yesterday I thought I could give the committee a list of witnesses who would be able to throw some light on this subject. I thought I had preserved the memorandums made by me at the time, as memorandums are always made by me when I am writing up a case.

Q. Have you found those memorandums?

A. I have found some of them; but I find that the parties on whom, from recollection, I thought I derived my information in regard to Wells, Fargo & Co., were parties who furnished me with information on other matters. Most of these parties were in my office last evening, and I found that the information which they had furnished me was about other matters, and that I had confused them, in my own mind, with others.

Q. State, if you please, the names of parties to whom you refer, with the facts to which you understand they will testify.

A. I do not know that I can give you the names of any parties who will furnish you with specific information on the subject of this contract. Two or three of these parties were in my office last night, and I found that whatever information they had upon this contract was general in its nature, and that they would not be able to give the committee any specific facts.

Q. State, if you please, to the committee the names of the parties to whom you referred in your testimony as being able to testify to important facts throwing light upon the subject of this investigation.

A. I saw those parties at my office last night, and with the exception, perhaps, of one, with whom I do not recollect that I conversed, I find that their information is only general. If I were able to find my notes made at the time of the information on which I wrote what was published, in relation to the Wells, Fargo & Co. contract, I could place the committee in possession of the sources of that information; but I find that I have been misled in confusing the names of these parties with those from whom I really derived the information. I have no specific information myself, except that derived from others as I have stated.

Q. If the parties to whom you refer as having only general information derived that information from others, you may state the names of the parties whom you have seen, so that the committee may be able to ascertain from them the sources of their knowledge on the subject.

A. I am not able to state any specific facts the committee will obtain from them. I think the first person with whom I conversed on the subject, before making any charges at all, was Mr. Ela, a member of the House.

Q. What did he tell you?

A. That is what I do not remember.

Q. Did he tell you anything in regard to the matter that he knew of his own knowledge?

A. I think not. One of the parties I refer to was Mr. Hazlett, of the Sixth Auditor's Office; but I cannot state, unless I can find my memorandums, what he told me. Another was Major Jewell, of the same office. I had also some conversation in reference to this matter with Mr. A. H. Markland, who has been connected with the Post Office Department. I do not now remember the name of anybody else. I have probably talked with 20 or 30 in regard to the matter.

Q. Do you believe the committee would get at the facts to which you refer by summoning these men and obtaining from them the sources of their information?

A. I do not believe they would.

Q. Can you put the committee in the way of getting at the facts which you allege in your testimony and in your attack as published upon the Postmaster General?

A. I have not made any attack directly upon the Postmaster General. I do not think I can place the committee in the way of getting at the facts referred to, except through witnesses they have probably already examined.

Q. Is there any witness who has been already examined who, in your judgment, has not told the committee all he knows on the subject under investigation?

A. That question it is, of course, impossible for me to answer, because I do not know what witnesses who have been examined have testified to.

Mr. BROOMALL. I supposed you were aware of what had been testified to, from your general statements of what the committee did not get out of the witnesses.

WITNESS. I have not made any statement of that kind, I believe.

Q. Then you know of no way through which the committee can obtain any more light upon this subject than they already have?

A. Not since the talk I had with these gentlemen, who were in my office last night.

Q. Did they ask you not to have them summoned here?

A. They did not. I told them they would probably be summoned here.

Q. Were you ever employed in the Post Office Department?

A. No, sir.

Q. Or in any department?

A. I was for a short time a clerk in the General Land Office, and also for a short time in the Internal Revenue department.

WASHINGTON, D. C., *February* 6, 1869.

JAMES GRAY JEWELL sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I reside in Washington; I am a clerk in the Sixth Auditor's office.

Q. That office has the settlement of the post office accounts?

A. Yes.

Q. Do you know Winfield Scott Smith?

A. I do.

Q. It has been stated to the committee that you communicated some facts to him relative to the making of the contract between the Post

Office Department and Wells, Fargo & Co. for carrying the mails between the termini of the Pacific railroads. Please state what you told him, and when.

A. I have no recollection of having stated anything of the kind. I may have stated to him that a contract was made, or was about to be made, at a stipulated price; but I do not recollect that I stated even that. It was common talk, and the price stated, I believe, was $1,750,000. I know nothing whatever in relation to the making of the contract, or the carrying out of the contract; it is not in my line of business.

Q. Mr. Smith stated on his first examination that he could prove by witnesses, whose names he could give us the next day, that the contract had been entered into in fraud of the government, and that the Post Office Department had acted corruptly in the business. The next day he came before the committee, and very much modified his statement of the previous day, but he gave your name as one of the persons from whom he had derived this information.

A. I will merely repeat that I know nothing whatever in relation to the making of the contract with Wells, Fargo & Co. other than what I got from the papers, just as you would get it. I know nothing in regard to the carrying out of the contract other than from what got into the papers and from common talk.

Q. Did you ever tell Mr. Smith that you knew anything about it?

A. I do not think I did. I have no means of knowing anything about it other than the common talk of the officers of the department.

Q. Was there a common talk in the department that ascribed corruption to the Post Office Department in the making of that contract?

A. Well, there were, I suppose, such conversations among clerks or employés of the department originating from communications made to the papers by Washington correspondents. They would get the New York papers, read these articles, and talk about the matter. They believed it had not any good foundation.

Q. Was there anything that occurred in the department, and apart from the statements of Washington correspondence in the newspapers, to cause suspicion of the correctness of the conduct of the department in the matter?

A. As far as my knowledge goes, nothing. They talked about the associations of the Postmaster General, and of the statements of these correspondents in connection therewith, and of presents made to him and other officials high in authority there, of which I knew nothing whatever.

Q. Presents made by whom?

A. That I do not know; it was said they came from contractors; I do not know anything about it.

Q. Throwing aside altogether the statements in the newspapers, was there anything that occurred in the department, or in your connection with it, that gave rise to suspicion that the Post Office Department had acted corruptly in the matter?

A. Nothing in my knowledge.

Q. Had you reason to suspect (throwing aside the statements of the newspapers) that there was corruption in this contract? If so, state the ground of your suspicions.

A. I do not recollect anything just now, of my own personal knowledge, that would cause a suspicion of that character. I have been told many things by parties, who were, perhaps, not responsible, that might possibly create suspicion in my mind, though it might not do so in other minds; but my business is of such a character that it has not brought me in contact with contractors for the last three years.

Q. Can you give us the name of any person in the department who would be likely to know if corruption existed in that business?

A. I think that the gentleman who was summoned at the same time that I was yesterday knows as much as anybody else; that is Mr. Cunningham Hazlett. He has charge, as chief of a division, of that branch of the service.

Q. You say you never communicated anything to Mr. Smith?

A. In common conversation we spoke of this matter, and we spoke of the articles that he wrote for the papers. He appeared to have sources of information that I knew nothing of.

By Mr. **PLANTS**:

Q. Did you communicate anything to him as a foundation of the articles that he wrote?

A. That I am not prepared to say. I do not know whether he would take his articles from what I said, or from what others said; but I had no means of communicating to him information of a positive character that he could base any article upon.

By Mr. **BROOMALL**:

Q. Did you ever tell him that you believed the transactions were corrupt?

A. I might have stated that to him. I might have stated a kind of general belief that matters in the Post Office Department were not being carried out as they ought, or that there must be something behind the contract, or something of that kind.

Q. Had he any authority from you to give your name as his source of information?

A. No, sir; I think not. I was very much surprised when I received the summons to come here.

Q. Was there anything in your intercourse with him to justify you in supposing that he got his information from you?

A. No, sir; my intercourse with him was of a character to lead me to believe that he had sources of information that were much above mine.

Q. You have said something that might lead the committee to believe that you have some suspicion of your own that things were not right in the department. Will you give the committee any facts that came within your knowledge, or were communicated to you by others, that created this apparent impression on your mind?

A. I am under the impression that the impression made upon my mind in reference to what is called corruption in respect to these matters was engendered in the first place by leading articles written by correspondents from this point, and perhaps almost wholly. As I said in the first part of my testimony, I do not know anything, personally, about the making or carrying out of this contract. I have not been on that business for some time. But we will naturally form these opinions, not knowing exactly how we form them.

Q. You can give us no facts, then, either coming under your own knowledge or communicated to you by persons whom you can name, that have caused this impression on your mind?

A. If there were any facts connected with it, perhaps they would be something like this: The first bid of Wells, Fargo & Co. was, I believe, for $1,300,000, and then was increased to $1,750,000; that was one circumstance. Mr. Otis, I think, on one occasion explained that to me as being caused by the increased cost of stock on the line.

Q. Was there any other fact?

A. I do not recollect any other just now.

Q. You spoke of alleged presents to persons in the department. Was there anything of that sort that occurred within your knowledge, or that was communicated to you by persons whom you can name, in connection with this matter?

A. No, sir. Packages arrived there frequently that were said to be for parties in the department, the Postmaster General or one of the Assistant Postmaster Generals. They created talk at the time. I do not know what they were given for, or from whom they came.

Q. How often do these presents come?

A. I can hardly give you an idea; sometimes frequently, sometimes not. I have not seen any recently.

Q. Do you know the contents of those boxes?

A. No, sir; I do not.

Q. You say they are addressed to whom?

A. They are frequently addressed to the Postmaster General or to the Assistant Postmasters General; I have seen boxes addressed to all of them. I do not know that they contained presents; they might contain some provisions for their families.

Q. Did you ever have boxes addressed to you there?

A. I never had, unfortunately.

Q. You never received anything by express?

A. No, sir. I have received things by express, for which I paid my own money.

Q. Would your neighbors have any means of finding out whether they did not contain presents from some contractor?

A. When I receive them, they do not come to the department; they come to my house.

Q. If you, as a contractor, were to make an official, whom you had corrupted, a present, would you be likely to send it to his public place of business?

A. That would depend altogether upon whether I knew his private address or not.

Q. The Postmaster General and his assistants are pretty well known in Washington?

A. Yes, sir.

Q. And their private residences are known?

A. I do not know that they are; it is natural to suppose that they would be.

Q. Do you suppose that anybody would send presents to corrupt public officers without some preconcert between the person giving the present and the person receiving it?

A. Yes, sir; under certain circumstances. I would suppose that that would be a very good way to open up a friendship and intimacy between them.

WASHINGTON, D. C., *February* 6, 1869.

JOHN ALLMAN sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. My residence is in Virginia City, in the State of Nevada; my business is staging. I am a mail contractor and an operator in real estate.

Q. Do you know anything about the circumstances attending the making of the contract with Wells, Fargo & Co., for carrying the mails between the termini of the Pacific railroad?

A. Only by hearsay.

Q. Were you a bidder, directly or indirectly?

A. I was.

Q. With whom?

A. With John H. Clark.

Q. What was your bid?

A. My bid for the letter mail alone was $460,000 per annum.

Q. What weight of mail did you embrace in your calculations?

A. If I remember right, I believe I figured on 550 pounds a day; from that to 600.

Q. Were not your calculations based on 3,000 or 4,000 pounds a day?

A. No, sir.

Q. Are you certain of that?

A. Positive.

Q. Who made the calculations, you or your partner?

A. I made the calculations; my partner understands very little about it.

Q. If you had been required to carry the printed mail also, would you have asked an increased compensation?

A. I certainly should.

Q. If the mail had been increased from your 600 pounds up to 3,000, at what rate in increase of pay would you have considered yourself compensated?

A. That would require some figuring.

Q. Would it increase the cost in proportion?

A. I do not know but that it would. By carrying so much mail matter, we would have to put on so much extra stock and have extra horses.

Q. Then your impression is that it would increase the cost in proportion to the increased weight?

A. I have no doubt but that it would, if not more. Sometimes we can carry the mail below the ratio, and sometimes we cannot carry it at the ratio; we are governed entirely by circumstances about that.

Q. Were you offered the contract at your bid, after Mr. Spaids threw it up?

A. No, sir; I was not here then.

Q. Between the time you made your bid and the time of the making of the contract the act of Congress was passed that threw this paper mail on that route, and no provision was made by Congress for any extra compensation; the bids were to take all the mail matter on that route. If you had been offered the contract at your bid, you knowing the change in the law, and knowing that no provision had been made to increase your pay, would you have accepted it?

A. No, sir, I should not.

Q. Your partner says that you would?

A. My partner had no experience in the business; he left it to me solely.

Q. You were not offered the contract at your bid?

A. I was asked whether I would accept the contract if Mr. Spaids should fail to give his bonds, and I think I replied then that I was ready at that moment to do it.

Q. Was that before the law was passed?

A. I would not be certain about that. I think it was a few days after the bids were opened that I received this letter of inquiry, and I think I answered it promptly; if I recollect right I answered it in this way, that I was ready to execute the contract at my bid for the letter mail. So I think, by my answering in that way, that I must have known something about the increased mail.

Q. If you had been bidding originally upon the hypothesis that the mail would be increased as it was, can you tell us about what you would have bid for—the mail matter being about 2,700 pounds?

A. I do not know that I would have been willing to go on and stock the road to carry 5,000 pounds of mail matter daily on that road, where they have to make so many changes from the hard travelled road to different points on the railroad. I do not know that I would have been willing to take it at all, for I do not think it would justify me. I do not believe the government would be willing to pay me what it would cost me for carrying it.

Q. Your bid was made on the condition that the amount of pay was to be decreased as the termini of the railroad approached each other?

A. Yes, I understood that.

Q. Did you have any conversation with the Postmaster General about Mr. Spaids's contract?

A. I believe I did.

Q. Did he ever tell you that Mr. Spaids would not comply with it?

A. No, I do not think he ever did.

Q. Do you recollect anything that he told you with reference to it?

A. I do not think he told me anything about it; I do not recollect that he did.

Q. Did the Postmaster General ever say anything to you that led you to believe he desired Wells, Fargo & Co. to get the job?

A. I do not recollect that he ever said anything about it.

By Mr. PLANTS:

Q. Did you ever learn from him in any conversation that he was anxious to have other bidders retire, so that Wells, Fargo & Co. could have the contract?

A. No, sir.

WASHINGTON, D. C., *February* 6, 1869.

CUNNINGHAM HAZLETT sworn and examined:

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I reside in Washington, and am principal pay clerk in the Auditor's office for the Post Office Department.

Q. Do you know Winfield Scott Smith?

A. I do.

Q. He has communicated to the committee certain charges against the Post Office Department in reference to the making of the contract with Wells, Fargo & Co. for carrying the mails between the termini of the Pacific railroads, and he gave your name as one of the persons from whom he had obtained this information; will you state to the committee what you told him at any time in reference to this matter?

A. I never told Mr. Smith anything in reference to the making of the contract with Wells, Fargo & Co.

Q. Or to the carrying it out?

A. No, sir.

Q. Or in reference to the contract with Mr. Spaids that was rescinded?

A. No, sir; I do not know anything about the making of the contract.

Q. Have you any idea why he gave your name as one of the persons from whom he derived information?

A. I do not know, unless he imagined that from my connection with the office I might be supposed to know something.

Q. Did you know anything about the contract after it was made that gave rise to suspicion in your mind that the matter was not fair?

A. No; I had no personal knowledge on the subject.

Q. Were there any circumstances occurring in your department, or anywhere else, within your knowledge, that gave rise to suspicion within your mind?

A. Not in reference to the making of the contract.

Q. I do not want you to limit your answer to the making of the contract. I mean anything in connection with the contract.

A. No, sir; there was not, that I remember.

Q. Were there any facts communicated to you by others, whom you can name to the committee, and that gave you the impression that the matter was corrupt?

A. Parties might have made that suggestion to me, but there was nothing at all that I could rely upon. I do not know that anybody did so who knew it from personal knowledge.

Q. Have you the impression that the transaction was corrupt?

A. No, sir; I have not. I have no right to have an impression about it, because I do not know anything about it.

Q. You are connected with the pay department of the post office?

A. Yes, sir.

Q. All moneys that are paid out are paid by you?

A. Yes, sir.

Q. Have any moneys been paid out or received that gave rise to the impression that everything connected with that contract was not right?

A. There has been some money paid out to Wells, Fargo & Co. under this contract, but I do not know that it gave rise to any impression that it was not correct.

Q. You communicated nothing to Mr. Smith?

A. No, sir.

Q. He professes to be the author of the original article, and gives you as his authority.

A. He is wrong in doing so.

Q. He had no warrant for doing it?

A. No warrant.

Q. He had no reason for doing it?

A. He had no reason that I know of for tracing it to me.

Q. What would have been your means of knowing if the transaction were corrupt?

A. That would depend a good deal upon circumstances. It might be communicated to me by information that I might get from other sources that I might consider as responsible.

Q. Would you be in a condition to detect anything like corruption in connection with that business?

A. In regard to irregularity in the transaction of the business, I might detect something if there was anything improper.

Q. Did you ever see such irregularity connected with this transaction as excited suspicion in your mind?

A. I cannot say that I ever saw anything that excited very much suspicion. There have been some matters in relation to the question of payments; certain parties appeared very anxious that the payments should be made.

Q. State the facts connected with that.

A. So far as that is concerned, I never had any direct communication. The information that I have got has been got through the head of the bureau, the Hon. H. J. Anderson, the Sixth Auditor. Of course I do not feel at liberty to make use of anything he said in the matter.

Q. From your conversations with him, are you able to say whether he can enlighten the committee on the subject?

A. I do not know that he can. I think that perhaps he can state to you that there had been considerable pressure brought to bear upon him, in order that he might authorize these payments.

Q. From what quarter?

A. From officials of the Post Office Department.

Q. You know nothing from your own knowledge tending to show frauds in the Post Office Department connected with this matter?

A. No, sir; I do not.

Q. And you know nobody who does?

A. No, sir.

WASHINGTON, D. C., *February* 6, 1869.

ABSALOM H. MARKLAND sworn and examined.

By Mr. BROOMALL:

Question. State your residence and occupation.

Answer. I reside in Washington city, and am an attorney.

Q. Your name has been furnished to the committee as one of the persons from whom Winfield Scott Smith obtained the information that induced him to make charges of corruption against the Post Office Department, in the matter of the contract with Wells, Fargo & Co. for carrying the overland mails between the termini of the Pacific railroads. State whether you know him.

A. I do.

Q. State whether you communicated to him, and what you did in reference to that matter?

A. I said to him that I knew nothing on earth about the Wells, Fargo & Co. contract; I stated that to him explicitly and positively.

Q. When did you tell him that?

A. On several occasions; I told him so the night before last. It was one of the contracts that I knew nothing about.

Q. Had you a conversation with him last November or December?

A. Last November and December I was at the point of death, confined at my house, and nobody permitted to see me but my physician and nurse. Of course I could not have had a conversation with him on the subject.

Q. When did you first converse with him on the subject?

A. I suppose the first time I conversed with him was after his publication of the charges. I got out of my house on the 4th of December, and was out a short time only. About the 12th of December I went to Chicago with General Grant, and when I came back I remained out of the house as usual. It must have been after the 16th of December that I first talked with him on the subject.

Q. Do you recollect what the conversation then was?

A. It was about his own statements in reference to the Wells, Fargo & Co. contract, that it was a case of fraud. I know nothing about the fraud except on general principles.

Q. Had he any reason to suppose that he was getting information from you on that occasion?

A. He could not possibly suppose that he was getting information from me on the Wells, Fargo & Co. contract.

Q. Do you know any facts from your own knowledge connected with the making of that contract, or any circumstances arising out of it, that would throw light on the inquiry before the committee as to whether or not the contract was made corruptly?

A. I think that the strongest argument that there was something wrong in the contract is found in the Postmaster General's letter to the House of Representatives. It is a public document; the members of this committee are all lawyers, and if they read the document closely they may form some idea of how the contract was made; I got more information from that public document than from any other source. I subsequently saw a gentleman from Omaha who said to me that the mail could have been carried at Mr. Spaids's bid, and that he would have taken it.

Q. The entire mail, letter and paper?

A. I think so.

Q. Have you given the committee all that you know about the matter?

A. I do not know anything at all about the Wells, Fargo & Co. contract. I have not been in the post office building but once in two years.

Q. Are we to understand that, except what you draw from the answer of the Postmaster General, you know nothing about the contract that gives rise to suspicion in your mind?

A. There is nothing within my own knowledge.

Q. Has nothing been communicated to you by others that you can name that causes suspicion?

A. No, sir.

By Mr. PLANTS:

Q. I understand you to say that Mr. Smith did not get the facts from you, upon which he founded that original article?

A. He could not have got them from me.

Letter from the Postmaster General, in answer to a resolution of the House of the 7th instant relative to the contract for carrying the overland mail.

POST OFFICE DEPARTMENT,
Washington, December 16, 1868.

SIR: In compliance with a call made upon me by a resolution adopted by the House of Representatives on the 7th instant, I submit herewith a copy of an agreement made with Wells, Fargo & Co., on the 21st October, 1868, for carrying the United States mails overland between the termini of the Union Pacific railroad and the Central Pacific railroad, from October 1, 1868, for the term of one year, or until the two railroads meet, at the rate of $1,750,000 per annum, subject to deduction *pro rata* for every section of 50 miles of railroad completed and reported to the Post Office Department ready to carry the mails; also, copies of all correspondence in the department on that subject, and of the contract with Carlton Spaids, and the correspondence with him and others in regard to carrying the said mails, and all information in the department and all the complaints made in regard to the manner in which Wells, Fargo & Co. have performed the said mail service. I submit, also, copies of the printed advertisements of November 30, 1867, and March 9, 1868, under which Carlton Spaids became the accepted bidder for carrying the mail on the overland route, numbered 16,635. These papers are presented, however, not in the order named in the resolution, but in the order of their respective dates, giving thus a connected account of the transactions to which they relate.

With these papers I beg leave to submit a few observations.

1. The demand made by Carlton Spaids, in his letters of the 12th, 17th, and 29th September, 1868, that the department should stipulate beforehand to allow him additional pay *pro rata*, and pay him quarterly, for

every pound of additional mail matter which might be thrown upon the overland route in consequence of legislative action taken by Congress after the contract had been awarded to him, as a condition precedent to his making preparations to perform the service required by his contract, was utterly inadmissible. All contracts made with the department for the transportation of the mail require the contractor to provide "such means as may be necessary to transport the whole of said mail, whatever may be its size or weight." This is plainly stated in the "instructions" appended to the advertisement of November 30, 1867, (see page 20,) referred to in the advertisement of March 9, 1868, ("Notes," page 4,) under which Carlton Spaids became the accepted bidder. Whatever additional matter might have been thrown upon the route, in consequence of the congressional legislation referred to, might have been made the ground of a claim upon Congress for additional compensation, but it could not, according to law or precedent, have been made the basis of an allowance of increased pay by the mere action of the department.

2. The information before the department at the time of its correspondence with Spaids, respecting the additional weight likely to be thrown on his route, showed the average weight of the mails per day carried overland to Salt Lake, one-third of the distance, to be 735 pounds; carried beyond Salt Lake, two-thirds of the distance, 353 pounds, equivalent to an average per day, for the whole distance, of 480 pounds, and the average sent by sea from New York to be within a fraction of 2,000 pounds per day. An allowance to Spaids of additional pay *pro rata* for an addition of 2,000 pounds per day to the weight of his mails would make his annual compensation $1,730,833—$416,833 above the highest bid received under the advertisement, and $19,167 less than Wells, Fargo & Co.'s $1,750,000 proposition. But when the department made its decision to accept the proposition of Wells, Fargo & Co., the letter of the postmaster at New York, dated the 9th October, 1868, was at hand, making the average weight of mails per day sent from his office for the overland route 4,424 pounds. Upon this basis an allowance of additional pay *pro rata* to Spaids would make his annual pay $3,087,583.

3. The following estimate shows the cost of the service under the proposition of Wells, Fargo & Co., putting the distance on 1st October at 837 miles, and reducing it thereafter at successive dates, as shown, according to the estimated progress of the railroads east and west.

October 1 to October 10, 837 miles	$47,554
October 11 to October 31, 660 miles	78,745
November 1 to November 15, 600 miles	51,166
November 16 to November 30, 550 miles	46,905
December 1 to December 15, 500 miles	42,644
December 16 to December 31, 450 miles	38,667
January 1 to March 31, 400 miles	209,080
April 1 to April 15, 400 miles	34,463
April 16 to April 30, 350 miles	30,155
May 1 to May 15, 300 miles	25,848
May 16 to May 31, 250 miles	21,541
June 1 to June 15, 200 miles	17,234
June 16 to June 30, 150 miles	12,927
July 1 to July 15, 100 miles	8,620
July 16 to July 31, 50 miles	4,595
Total	670,144

4. The following estimate shows the cost of the service under Brigham Young's modified proposal of October 15, 1868, to carry 2,000 pounds west per day for 8 months, at contract price ($559,375) and receive 10 cents per pound per 100 miles for the excess, without allowing for any probable increase of the weight going west, as shown by the telegram of the postmaster at Omaha of 8th October, 1868:

Bid for 2,000 pounds per day going west for eight months	$559,375
Excess of 800 pounds per day going west—	
October 16 to October 31, 660 miles	8,448
November 1 to November 15, 600 miles	7,200
November 16 to November 30, 550 miles	6,600
December 1 to December 15, 500 miles	6,000
December 16 to December 31, 450 miles	5,760
January 1 to March 31, 400 miles	28,800
April 1 to April 15, 400 miles	4,800
April 16 to April 30, 350 miles	4,200
May 1 to May 15, 300 miles	3,600
May 16 to May 31, 250 miles	3,200
June 1 to June 15, 200 miles	2,400
June 16 to June 30, 150 miles	1,800
July 1 to July 15, 100 miles	1,200
July 16 to July 31, 50 miles	640
Proportional pay after 8 months—	
June 16 to June 30, 150 miles	16,388
July 1 to July 15, 100 miles	10,926
July 16 to July 31, 50 miles	5,464
Total	676,801

5. The following estimate shows the cost of the service under Brigham Young's modified proposal of October 15, 1868, upon the basis of 4,400 pounds per day, as reported by the postmaster at New York, under date of 9th October, 1868:

Bid for 2,000 pounds per day going west for eight months	$559,375
Excess of 2,400 pounds per day going west—	
October 16 to October 31, 660 miles	25,344
November 1 to November 15, 600 miles	21,600
November 16 to November 30, 550 miles	19,800
December 1 to December 15, 500 miles	18,000
December 16 to December 31, 450 miles	17,280
January 1 to March 31, 400 miles	86,400
April 1 to April 15, 400 miles	14,400
April 16 to April 30, 350 miles	12,600
May 1 to May 15, 300 miles	10,800
May 16 to May 31, 250 miles	9,600
June 1 to June 15, 200 miles	7,200
June 16 to June 30, 150 miles	5,400
July 1 to July 15, 100 miles	3,600
July 16 to July 31, 50 miles	1,920
Proportional pay after eight months—	
June 16 to June 30, 150 miles	16,388
July 1 to July 15, 100 miles	10,926
July 16 to July 31, 50 miles	5,464
Total	846,097

6. The only other propositions before the department were that of Charles McLaughlin, requiring 30 days time to make preparation for the service—which, therefore, could not be entertained—and that made in behalf of the Union Pacific Railroad Company, to contract for one year at $1,500,000, without any provision for a reduction of pay as the building of the railroads advanced.

I had no legal authority to make any new arrangement with Mr. Spaids while his contract was in force, and would not have done it at such rates if I could. The increase of service for which the law authorizes additional compensation has no reference whatever to the amount of mail matter carried over a mail route. Increase of service in the law, and by the uniform construction and practice of the department, has reference only to length of routes or increase of the number of trips over mail routes, and does not in any way refer to the amount of mail matter carried. The letters and despatches, copies of which are herewith transmitted, show the efforts made by the department to overcome the difficulties which arose from the failure of Mr. Spaids.

The embarrassments were very great. It was necessary under the law that mails should go forward. It would not answer to pile up 150 tons of mail matter at stations on this route. The expenses of transportation were enormous. It was estimated that at least 60 days would be necessary to put an efficient daily service on the road. More than 1,000 horses were required to perform it properly. The expense of feeding the horses alone was estimated at $2,000 per day. Delays would no longer answer after Spaids had thrown up his contract. After all the efforts to overcome the difficulty failed, I called together Senator Morgan, Senator Cole, Mr. Greeley, the postmaster in New York, and other men of high character, and told them frankly my difficulty. I knew that, whatever was done, fault would be found by interested and mischievous men because something else was not done. I desired their advice, and, after full consideration and examination of all the propositions, I was advised by these gentlemen to make the arrangement which was made with Wells, Fargo & Co. The whole of these difficulties grew out of the act of Congress changing the law in regard to the character of the mail matter authorized to be carried at ordinary postages on the route in question. These difficulties were, however, foreseen and pointed out to Congress when the law was changed, by the chairman of the post office committee. If Mr. Farnsworth had had the gift of prophecy he could not have foretold with more certainty the consequences of the change in the law than he did in his sagacious remarks in the House of Representatives, as reported in the Daily Globe of June 20, 1868. I quote as follows:

> MR. FARNSWORTH. If I can have the attention of the House for a moment, I will state briefly the points about this bill. The House passed a bill removing the restriction which was imposed by the act of 1864, I believe, which required that printed matter should pay letter rates between the western boundary of Kansas and the eastern boundary of California, where it had to be carried by stages, except that newspapers, magazines, and periodicals are carried there, as everywhere else, to regular subscribers from the office of publication. The present contract expires in the fall, in October, I believe. The Senate have amended the bill so as to make it take effect in the fall, and sent it back to the House.
>
> Upon examination of the bids put in at the department for carrying the mails for the next four years, and on inquiry with reference to the intentions of the parties who have bid for carrying the mails—the bids for the letter mails being already in—we find this fact: that the difference of expense will be about $1,000,000 if we remove this restriction and allow the publishers of books, magazines, &c., to send by mail their packages to dealers in the various places in these remote Territories. The House will see at a glance that they would load down the stage-coaches and make the mails very bulky and heavy, and the contractors cannot afford to carry this immense load of matter at the same rate at which they are now carrying the letters and newspapers, &c., to the regular subscribers.

The Committee on the Post Office and Post Roads considered this question, and also, I believe, considered it in conjunction with the committee on the part of the Senate, on one occasion when I was not present, at the Post Office Department, a few days ago, and they instructed me to make the motion, when this bill was reached, to refer it to the Committee on the Post Office and Post Roads. They came to the conclusion that it is not worth while to saddle the department with this extra expense at present.

Again:

Mr. FARNSWORTH. I am only desirous the House should understand this matter. I have here now the figures showing the difference in these bids. These contracts before were let very soon. The contractors must make provision for their forage before the season is far advanced. There are five bids for carrying this mail. Wells, Fargo & Co., $1,300,000, with the understanding that they are to carry printed matter if we pass this bill. There are four other bids, and the highest of which is $460,000, being $900,000 less than the bid of Wells, Fargo & Co. These other bidders made these bids with reference to the law as it is now, excluding heavy mail matter. The House will understand that the law now does not exclude newspapers and periodicals to regular subscribers. It cuts a little hard on the book trade and the publication offices, the men who are dealing in these articles. The question for the House is whether we shall now add this $900,000 to the expenses of the department or wait a little. As fast as this railroad is completed these things are all carried, and in the course of a year very likely we may be able to amend the law without saddling this amount of expense upon the country. I now call the previous question.

The contract made has turned out a good one for the department, as more than half the distance between the ends of the two roads on the 1st of October last has already been cut off by the progress of the roads. If the road is completed as anticipated, the accepted proposition of Wells, Fargo & Co. will be far the most economical for the department of any of the responsible propositions made. It will probably cost the company from $100,000 to $200,000 more than they will receive. I understand that an application will be made to Congress for this relief.

I would be pleased to have a committee appointed to investigate this whole matter, and to examine into the great expense of this mail transportation through an uninhabited wilderness during the fall and winter season, so that in case an application is made for relief, Congress can act understandingly on the subject.

Very respectfully, your obedient servant,

ALEX. W. RANDALL,
Postmaster General.

Hon. SCHUYLER COLFAX,
Speaker of the House of Representatives.

Papers accompanying the letter of the Postmaster General of December 16, 1868, *in answer to the resolution of the House of Representatives of December* 7, 1868.

No. 1. Advertisement of November 30, 1867.
No. 2. Advertisement of March 9, 1868.
No. 3. Acceptance of Carlton Spaids's bid.
No. 4. Letter to Louis McLane.
No. 5. Letter to Allman & Clark.
No. 6. Letter to Charles A. Cook.
No. 7. Letter to Charles McLaughlin.
No. 8. Letter from Louis McLane.
No. 9. Letter from Allman & Clark.
No. 10. Acknowledgment of acceptance by Carlton Spaids.
No. 11. Telegram to J. W. Clampitt.
No. 12. Telegram from postmaster at Salt Lake City.

No. 13. Telegram from same.
No. 14. Letter to postmaster at Salt Lake City.
No. 15. Letter to postmaster at New York.
No. 16. Letter from postmaster at New York.
No. 17. Contract of Carlton Spaids.
No. 18. Telegram from U. H. Painter.
No. 19. Telegram to U. H. Painter.
No. 20. Letter to Carlton Spaids.
No. 21. Letter from postmaster at Salt Lake City.
No. 22. Telegram to Charles McLaughlin, with his answer.
No. 23. Letter from postmaster at Salt Lake City.
No. 24. Weight of mails at Salt Lake City.
No. 25. Letter from Carlton Spaids of September 12, 1868.
No. 26. Letter to Carlton Spaids.
No. 27. Letter to Carlton Spaids.
No. 28. Letter to postmaster at Salt Lake City.
No. 29. Letter from Carlton Spaids of September 17, 1868.
No. 30. Letter to Carlton Spaids.
No. 31. Letter from Oakes Ames.
No. 32. Telegram to Hon. G. M. Dodge.
No. 33. Letter from F. E. Spinner.
No. 34. Letter to F. E. Spinner.
No. 35. Telegram from G. M. Dodge.
No. 36. Telegram from J. W. Clampitt.
No. 37. Letter from Carlton Spaids of September 29, 1868.
No. 38. Letter to Carlton Spaids.
No. 39. Telegram from postmaster at Salt Lake City.
No. 40. Telegram from postmaster at Salt Lake City.
No. 41. Telegram from J. W. Clampitt.
No. 42. Order of J. W. Clampitt to postmaster at Salt Lake City to deliver mails to Wells, Fargo & Co.
No. 43. Telegram to Charles McLaughlin.
No. 44. Letter to Charles McLaughlin.
No. 45. Letter from John H. Still.
No. 46. Telegram from Charles McLaughlin, with answer of department.
No. 47. Letter to John H. Still.
No. 48. Letter to postmaster at New York.
No. 49. Letter to postmaster at New York.
No. 50. Telegram from A. H. Barney.
No. 51. Telegrams to postmaster at Omaha and to Charles McLaughlin.
No. 52. Telegram from postmaster at New York.
No. 53. Telegram from postmaster at Omaha.
No. 54. Letter from postmaster at New York.
No. 55. Telegram from Charles McLaughlin.
No. 56. Telegram to J. W. Clampitt.
No. 57. Letter from George K. Otis, secretary of Wells, Fargo & Co., giving notice of discontinuance of service.
No. 58. Letter from Second Assistant Postmaster General to Postmaster General.
No. 59. Letter from postmaster at Salt Lake City.
No. 60. Weight of mails at Salt Lake City.
No. 61. Letter from J. W. Clampitt.
No. 62. Telegrams to Hon. Brigham Young and Hon. Justin S. Morrill.
No. 63. Telegram from J. W. Clampitt.
No. 63½. Telegram from Brigham Young.
No. 64. Telegram from same, submitting proposal.

No. 65. Telegram from Silas Seymour, of Union Pacific Railroad Co.
No. 66. Telegram from D. B. Ball.
No. 67. Telegram from same.
No. 68. Telegram from postmaster at Salt Lake City.
No. 69. Telegram from postmaster at San Francisco.
No. 70. Letter from D. B. Ball.
No. 71. Telegram from B. W. Curtis to D. B. Ball.
No. 72. Telegram from J. T. Reynolds to D. B. Ball.
No. 73. Telegram from Alf. Eoff to D. B. Ball.
No. 74. Telegram to postmaster at San Francisco.
No. 75. Telegram to postmaster at Salt Lake City.
No. 77. Telegram to postmaster at Chicago.
No. 78. Telegram to D. B. Ball.
No. 79. Telegram from postmaster at Sacramento.
No. 80. Telegram from J. W. Clampitt.
No. 81. Telegram to J. W. Clampitt.
No. 82. Letter to postmaster at New York.
No. 83. Telegram from Brigham Young.
No. 84. Telegram to Brigham Young.
No. 85. Telegram from postmaster at Chicago.
No. 86. Telegram to postmaster at Chicago.
No. 87. Telegram to Charles McLaughlin.
No. 88. Telegram to Brigham Young.
No. 89. Telegram from Brigham Young.
No. 90. Telegram from Brigham Young, modifying proposal.
No. 91. Telegram from postmaster at San Francisco.
No. 92. Telegram to postmaster at San Francisco.
No. 93. Telegram to postmaster at Sacramento.
No. 94. Telegram from Hon. Justin S. Morrill.
No. 95. Telegram from Charles McLaughlin.
No. 96. Telegram to Charles McLaughlin.
No. 97. Letter from postmaster at New York.
No. 98. Letter from same.
No. 99. Letter from D. B. Ball.
No. 100. Telegram from Charles McLaughlin.
No. 101. Letter to postmaster at New York.
No. 102. Letter to postmaster at Salt Lake City.
No. 103. Agreement with Wells, Fargo & Co.
No. 104. Letter from John H. Still.
No. 105. Telegram to postmaster at New York.
No. 106. Telegram to John H. Still.
No. 107. Letter from D. B. Ball.
No. 108. Letter to postmaster at New York.
No. 109. Letter from S. H. Knapp.
No. 110. Letter to S. H. Knapp.
No. 111. Letter from postmaster at New York.
No. 112. Letter to D. B. Ball.
No. 113. Telegram to D. B. Ball.
No. 114. Telegram from D. B. Ball.
No. 115. Letter from postmaster at Bryan, terminus of Union Pacific railroad.
No. 116. Letter from postmaster at Salt Lake City.
No. 117. Weight of mails at Salt Lake City.
No. 118. Letter from D. B. Ball.
No. 119. Letter to D. B. Ball.
No. 120. Letter to B. C. Truman.

No. 121. Letter from D. B. Ball.

No. 122. Letter to Wells, Fargo & Co.

No. 123. Letter to postmaster at Salt Lake City.

No. 124. Letter to postmaster at Omaha.

No. 125. Letter to postmaster at Bryan.

No. 126. Letter to Hon. E. H. Rollins.

No. 127. Letter to C. P. Huntingdon.

No. 128. Letter to J. W. Clampitt.

No. 129. Letter to same.

No. 130. Letter to Wells, Fargo & Co.

No. 131. Letter from postmaster at Salt Lake City, complaining of service by Wells, Fargo & Co.

No. 132. Extracts from report of Special Agent Clampitt, complaining of service by Wells, Fargo & Co.

No. 133. Letter to Wells, Fargo & Co.

No. 134. Extract from letter of J. W. Clampitt to agent of Wells, Fargo & Co.

No. 135. Letter from D. B. Ball.

No. 136. Letter from same.

No. 137. Letter to postmaster at New York.

No. 138. Letter from Wells, Fargo & Co.

No. 139. Copies of instructions given to agents of Wells, Fargo & Co.

No. 140. Letter from Wells, Fargo & Co.

No. 141. Letter to D. B. Ball.

No. 142. Letter to Oliver Ames.

No. 143. Letter to Hon. C. H. Rollins.

No. 144. Letter to Hon. Oliver Ames.

No. 145. Letter from postmaster at New York.

No. 146. Letter from Oliver Ames.

No. 147. Telegram from J. W. Clampitt.

No. 148. Letter from D. B. Ball, of December 2, 1868, complaining of service by Wells, Fargo & Co.

No. 149. Letter to Thomas C. Durant.

No. 150. Letter from Thomas C. Durant.

No. 151. Letter from postmaster at New York.

No. 1.

Advertisement of November 30, 1867, *inviting proposals for carrying the mails of the United States in the States of Kansas and Nebraska and Territories of Colorado, Utah, Arizona, and New Mexico, from July* 1, 1868, *to June* 30, 1870. *Alexander W. Randall, Postmaster General. Proposals received until* 3 *p. m. March* 31, 1868. *Decisions by April* 5, 1868.

EXTRACTS FROM LAWS OF THE UNITED STATES, ETC., ETC.

The Postmaster General requests that bidders, guarantors, sureties, and all persons concerned, or intending to be concerned, in mail contracts, will carefully read and critically examine the abstract of laws here presented, and also the forms and instructions at the end of this advertisement, in order that bids may be made and liabilities assumed understandingly, and that all misapprehensions or cause of complaint hereafter may be avoided.

Postmasters are required to make themselves familiar with these laws and instructions, that they may be able to inform and direct others.

Postmasters, clerks, and others employed in post offices cannot be contractors.

SEC. 42, act of March 3, 1825. That no postmaster, assistant postmaster, or clerk employed in any post office, shall be a contractor, or concerned in a contract for carrying the mail.

SEC. 26, act of July 3, 1836. That if any person employed in the Post Office Department, or as postmaster, shall become interested in any mail contract, or act as agent, with or without compensation, in any matter or thing relating to business in said department, for any contractor, or person offering to become a contractor, he shall be forthwith dismissed from office, and shall be liable to pay so much money as would have been realized from said contract, to be recovered in an action of debt in any court having jurisdiction thereof, in the name of the United States, for the use of the Post Office Department; and it shall be the duty of the Postmaster General to cause prosecution to be instituted.

Contractors, carriers, &c., to be sworn.

SEC. 2, act of March 3, 1825. That the Postmaster General, and all other persons employed in the General Post Office, or in the care, custody, or conveyance of the mail, shall, previous to entering upon the duties assigned to them, or the execution of their trusts, and before they shall be entitled to receive any emolument therefor, respectively take and subscribe the following oath or affirmation before some magistrate, and cause a certificate thereof to be filed in the General Post Office: "I, A B, do swear (or affirm, as the case may be) that I will faithfully perform all the duties required of me, and abstain from everything forbidden by the laws in relation to the establishment of the post office and post roads within the United States." Every person who shall be, in any manner, employed in the care, custody, conveyance, or management of the mail, shall be subject to all pains, penalties, and forfeitures for violating the injunctions or neglecting the duties required of him by the laws relating to the establishment of the post office and post roads, whether such person shall have taken the oath or affirmation above prescribed or not.

Instead of the foregoing, the following oath is now required by acts of Congress of July 2, 1862, and March 3, 1863:

I, ——— ———, being "employed in the care, custody, and conveyance of the mail" on route No. ——, from ——— to ———, State of ———, do swear that I will faithfully perform all the duties required of me, and abstain from everything forbidden by the laws in relation to the establishment of post offices and post roads within the United States; and that I will honestly and truly account for and pay over any moneys belonging to the said United States which may come into my possession or control; and I further solemnly swear that I have never voluntarily borne arms against the United States since I have been a citizen thereof; that I have voluntarily given no aid, countenance, counsel, or encouragement to persons engaged in armed hostility thereto; that I have neither sought, nor accepted, nor attempted to exercise the functions of any office whatever under any authority or pretended authority in hostility to the United States; that I have not yielded a voluntary support to any pretended government, authority, power, or constitution within the United States hostile or inimical thereto. And I do further swear that, to the best of my knowledge and ability, I will support and defend the Constitution of the United States against all enemies, foreign or domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter: So help me God.

By regulation of the department, no carrier should be employed who is under sixteen years of age.

In relation to failure to enter into contract.

SEC. 44, act of March 3, 1825. That any person or persons who shall hereafter make any proposal in writing to carry or transport the mail upon any route or routes which may be advertised to be let, and such person or persons shall be determined by the Postmaster General to be entitled to the contract by virtue of such proposition, and such person or persons shall fail or refuse to enter into an obligation, with good and sufficient security, to perform such contract within the time required by the Postmaster General in such advertisement, such person or persons shall forfeit and pay so much money as shall be the difference between the amount contained in such proposal and the amount the Postmaster General shall have to pay for the same transportation of the mail on such route or routes, which sum may be recovered by the Postmaster General in an action on the case.

Liabilites of guarantors of bidders who fail to enter into contract.

SEC. 27, act of July 2, 1836. That every proposal for the transportation of the mail shall be accompanied by a written guarantee, signed by one or more responsible persons, to the effect that he or they undertake that the bidder or bidders will, if his or their bid be accepted, enter into an obligation, in such time as may be prescribed by the Postmaster General, with good and sufficient sureties, to perform the service proposed. No proposal shall be considered unless accompanied by such guarantee. If, after acceptance of a proposal, and notification thereof to the bidder or bidders, he or they shall fail to enter into an obligation within the time prescribed by the Postmaster General, with good and sufficient sureties for the peformance of the service, then the Postmaster General shall proceed to contract with some other person or persons for the performance of said service, and shall forthwith cause the difference between the amount contained in the proposal so guaranteed and the amount for which he may have contracted for the performance of said service, for the whole period of the proposal, to be charged up against the said bidder or bidders and his or their guarantor or guarantors, and the same may be immediately recovered by the United States for the use of the Post Office Department, in an action of debt against either or all of the said persons.

Bids of failing contractors may be rejected.

SEC. 24, act of July 2, 1836. That the Postmaster General shall not be bound to consider the bid of any person who shall have wilfully or negligently failed to perform or execute a prior contract.

No pay to be made until contracts are executed; nor for additional service, unless previously ordered.

SEC. 29, act of July 2, 1836. That no person, whose bids for the transportation of the mail may be accepted, shall receive any pay until he shall have executed his contract according to law and the regulations of the department; nor shall any payment be made for any additional regular service in the transportation of the mail, unless the same shall have been rendered in obedience to a prior legal order of the Postmaster General.

Requiring service to be let to the lowest bidder, &c.

"STAR BIDS."

SEC. 18, act of March 3, 1845. That it shall be the duty of the Postmaster General, in all future lettings of contracts for the transportation of the mail, to let the same, in every case, to the lowest bidder tendering sufficient guarantees for faithful performance, without other reference to the mode of such transportation than may be necessary to provide for the due celerity, certainty, and security of such transportation; nor shall any new contractor hereafter be required to purchase out or take at a valuation the stock or vehicle of any previous contractor for the same route.

By act of Congress approved April 21, 1808, no member of Congress can be a contractor, or be concerned, directly or indirectly, in any contract with the government; and by the same act it is made a high misdemeanor for any officer of the United States to enter, in its behalf, into a contract with a member of Congress.

The authority to establish post routes is not vested in the Postmaster General, nor can he extend or lengthen those already established. He can only place mail service on such roads as have been declared post routes by act of Congress. All railroads, plank roads, canals, navigable rivers, and other waters, are, however, post roads by law; and also the road from the nearest post office on an established route to the court-house of any county which may be otherwise without a mail.

The Postmaster General has *no power*, under the law, to release bidders and contractors and their guarantors and sureties from their liabilities on the allegation of real or supposed mistakes of any kind in making proposals. He particularly requests that, before bidding, the fullest inquiry and investigation be made in regard to the route, distance, service, weight of mails, cost of stock, feed, and all expenses existing and likely to occur during the contract term, and with due consideration of the consequences imposed by law on delinquents.

POST OFFICE DEPARTMENT,
Washington, November 30, 1867.

Proposals will be received at the contract office of this department until 3 p. m. of March 31, 1868, for conveying the mails of the United

States from July 1, 1868, to June 30, 1870, in the States of Kansas and Nebraska, and Territories of Colorado, Utah, Arizona, and New Mexico, on the routes and by the schedules of departures and arrivals herein specified—being routes established 2d session of 39th Congress—and others.

Decisions announced by April 5, 1868.

(Bidders will examine carefully the laws, forms, and instructions annexed.)

KANSAS.

14129. From Paris to Mansfield, 5 miles and back, six times a week.

Leave Paris daily, except Sunday, at 12 m.; arrive at Mansfield by 2 p. m.; leave Mansfield daily, except Sunday, at 3 p. m.; arrive at Paris by 5 p. m.

14130. From Osage Mission, (no office,) by Sherman City, (n. o.,) and Hamlin, (n. o.,) to Petersville, 42 miles and back, once a week.

Leave Osage Mission Tuesday at 6 a. m.; arrive at Petersville by 7 p. m.; leave Petersville Wednesday at 6 a. m.; arrive at Osage Mission by 7 p. m.

14131. From Marmaton, by Cato, Owego, (n. o.,) Logansport, (n. o.,) Lafayette, and Wheaton, (n. o.,) to Cherokee City, —— miles and back, once a week.

Bidders to state distance and propose a schedule of departures and arrivals.

14132. From Fort Scott, by Allington, (n. o.,) Reno, (n. o.,) Worcester, (n. o.,) Pleasant View, (n. o.,) and Clarksville, (n. o.,) to Petersville, 55 miles and back, once a week.

Leave Fort Scott Monday at 6 a. m.; arrive at Petersville next day by 12 m.; leave Petersville Tuesday at 1. p. m.; arrive at Fort Scott next day by 6 p. m.

14133. From Troy, by Doniphan and Atchison, to Leavenworth, —— miles and back, once a week.

Bidders to state distance and propose schedule of departures and arrivals.

14134. From Salina, by Ottawa county (n. o.,) and Saline River valley, (n. o.,) to Spillman's Creek, (n. o.,) 40 miles and back, once a week.

Leave Salina Monday at 6 a. m.; arrive at Spillman's Creek by 7 p. m.; leave Spillman's Creek Tuesday at 6 a. m.; arrive at Salina by 7 p. m.

14135. From Salina, by Kansas Salt Company's Works, (n. o.,) Oakland, (n. o.,) Minneopolis, (n. o.,) up the Solomon River valley, (n. o.,) and Usher's Creek, (n. o.,) to Oak Creek, (n. o.,) —— miles and back, once a week.

Bidders to state distance and propose a schedule of departures and arrivals.

14136. From Emporia, by Madison, Janesville, and Noonday, (n. o.,) to Eureka, 50 miles and back, once a week.

Leave Emporia Tuesday at 6 a. m.; arrive at Eureka next day by 10 a. m.; leave Eureka Wednesday at 1 p. m.; arrive at Emporia next day by 6 p. m.

14137. From Humboldt, by South Branch of Bull Creek, (n. o.,) the East Branch of Buffalo Creek (n. o.) to its mouth in Wilson county, thence to Coyville, 30 miles and back, once a week.

Leave Humboldt Tuesday at 7 a. m.; arrive at Coyville by 5 p. m.; leave Coyville Wednesday at 7 a. m.; arrive at Humboldt by 5 p. m.

14138. From Topeka, by Indianola and Mitchell's Mills, (n. o.,) to Holton, 32 miles and back, once a week.

Leave Topeka Monday at 7 a. m.; arrive at Holton by 6 p. m.; leave Holton Tuesday at 7 a. m.; arrive at Topeka by 6 p. m.

Proposals for more frequent service invited.

14139. From Wamego, by Allen, to Council Grove, 45 miles and back, once a week.

Leave Wamego Monday at 6 a. m.; arrive at Council Grove by 8 p. m; leave Council Grove Tuesday at 6 a. m.; arrive at Wamego by 8 p. m.

14140. From Burlington to Belmont, 30 miles and back, once a week.

Leave Burlington Wednesday at 7 a. m.; arrive at Belmont by 5 p. m.; leave Belmont Thursday at 7 a. m.; arrive at Burlington by 5 p. m.

14141. From Hiawatha, by Muscatah, to Grasshopper Falls, 45 miles and back, once a week.

Leave Hiawatha Monday at 6 a. m.; arrive at Grasshopper Falls by 8 p. m.; leave Grasshopper Falls Tuesday at 6 a. m.; arrive at Hiawatha by 8 a. m.

14142. From Osage Mission, by Sherman, Salamanca, and Petersville, to Neosho, (Mo.,) —— miles and back, once a week.

Bidders to state distance and propose a schedule of departures and arrivals.

14143. From Lawrence, by Oskaloosa, to Grasshopper Falls and back, once a week.

Leave Lawrence Monday at 7 a. m.; arrive at Grasshopper Falls by 6 p. m.; leave Grasshopper Falls Tuesday at 7 a. m.; arrive at Lawrence by 6 p. m.

14144. From De Soto, by Gardner, to Ossawatomie, 36 miles and back, once a week.

Leave De Soto Monday at 6 a. m.; arrive at Ossawatomie by 6 p. m.; leave Ossawatomie Tuesday at 6 a. m.; arrive at De Soto by 6 p. m.

14145. From Mound City, by Trading Post, (n. o.,) to Pleasant Hill, (Mo.,) 50 miles and back, once a week.

Leave Mound City Monday at 6 a. m.; arrive at Pleasant Hill next day by 12 m.; leave Pleasant Hill Tuesday at 1 p. m.; arrive at Mound City next day by 6 p. m.

14146. From Manhattan, by way of Clay county, to Lake Sibley, (n. o.,) —— miles and back, once a week.

Bidders to state distance and propose a schedule of departures and arrivals.

14147. From Manhattan, by Westmoreland and Savannah, to Council Grove, 50 miles and back, once a week.

Leave Manhattan Monday at 6 a. m.; arrive at Council Grove next day by 12 m.; leave Council Grove Tuesday at 1 p. m.; arrive at Manhattan next day by 6 p. m.

14148. From Paola, by Miami village and New Lancaster, to Rockville, 20 miles and back, once a week.

Leave Paola Wednesday at 6 a. m.; arrive at Rockville by 12 m.; leave Rockville Wednesday at 1 p. m.; arrive at Paola by 8 p. m.

14149. From Fort Scott, by Cato, to Monmouth, 40 miles and back, once a week.

Leave Fort Scott Monday at 6 a. m.; arrive at Monmouth by 7 p. m.; leave Monmouth Tuesday at 6 a. m.; arrive at Fort Scott by 7 p. m.

14150. From Prairie City, by Centropolis, to Burlingame, 40 miles and back, once a week.

Leave Prairie City Monday at 6 a. m.; arrive at Burlingame by 7 p. m.; leave Burlingame Tuesday at 6 a. m.; arrive at Prairie City by 7 p. m.

Proposals for three-times-a-week service invited.

14151. From Council Grove to Fort Zarah, (intersection Santa Fé mail route,) 135 miles and back, once a week.

Leave Council Grove Monday at 6 a. m.; arrive at Fort Zarah Wednesday by 6 p. m.; leave Fort Zarah Thursday at 6 a. m.; arrive at Council Grove Saturday by 6 p. m.

Proposals for three-times-a-week service invited.

14152. From Topeka, by Holton and Kennekuk, to Troy, 100 miles and back, once a week.

Leave Topeka Monday at 6 a. m.; arrive at Troy Wednesday at 12 m.; leave Troy Wednesday at 2 p. m.; arrive at Topeka Friday by 6 p. m.

14153. From Mound City, by Monmouth, to Cherokee City, —— miles and back, once a week.

Bidders to state distance and propose a schedule of departures and arrivals.

14154. From Fort Scott, by Pleasant View and Petersville, to Baxter's Spring, 60 miles and back, once a week.

Leave Fort Scott Tuesday at 6 a. m.; arrive at Baxter's Spring next day by 12 m.; leave Baxter's Spring Tuesday at 1 p. m.; arrive at Fort Scott next day by 6 p. m.

14155. From Council Grove, by Cottonwood Falls, Eldorado, and Fort Arbuckle, to Sherman, (Texas,) 450 miles and back, once a week.

Leave Council Grove Monday at 6 a. m.; arrive at Sherman in nine days; leave Sherman Monday at 6 a. m.; arrive at Council Grove in nine days.

14156. From Topeka to Burlington, 67 miles and back, once a week.

Leave Topeka Tuesday at 6 a. m.; arrive at Burlington Wednesday by 12 m.; leave Burlington Wednesday at 1 p. m.; arrive at Topeka Thursday by 6 p. m.

14157. From Perryville to Oskaloosa, 15 miles and back, once a week.

Leave Perryville Monday at 7 a. m.; arrive at Oskaloosa by 11 a. m.; leave Oskaloosa at 1 p. m.; arrive at Perryville by 5 p. m.

Proposals for more frequent service invited.

14158. From Carlyle to Geneva, 6 miles and back, once a week.

Leave Carlyle Monday at 9 a. m.; arrive at Geneva by 11 a. m.; leave Geneva Monday at 1 p. m.; arrive at Carlyle by 3 p. m.

Proposals for more frequent service invited.

14159. From Fort Scott, by Mapleton and Xenia, to Garnett, 52 miles and back, once a week.

Leave Fort Scott Monday at 6 a. m.; arrive at Garnett by 7 p. m.; leave Garnett Tuesday at 6 a. m.; arrive at Fort Scott by 7 p. m.

14160. From Cottonwood Falls to Junction City, 55 miles and back, once a week.

Leave Cottonwood Falls Monday at 6 a. m.; arrive at Junction City next day by 12 m.; leave Junction City Tuesday at 1 p. m.; arrive at Cottonwood Falls next day by 6 p. m.

14161. From Topeka, by Holton and Sabetha, to Nebraska City, (Nebraska,) —— miles and back, once a week.

Bidders to state distance and propose a schedule of departures and arrivals.

14162. From Jacksonville, by Iuka, Montana, and Oswego, to Chetopah, 25 miles and back, once a week.

Bidders to propose a schedule making due connection at Jacksonville with route from Catholic Mission to Baxter's Springs.

14163. From Fort Scott, by Barnesville, Indian Creek, Potosi, and Blooming Grove, to Paris, 39 miles and back, once a week.

Leave Fort Scott Thursday at 6 a. m.; arrive at Paris by 6 p. m.; leave Paris Friday at 6 a. m.; arrive at Fort Scott by 6 p. m.

NEBRASKA.

Service from July 1, 1868, *to June* 30, 1870.

14453. From Grand Island Station, by Grand Island City, to Albaville, 9 miles and back, three times a week.

Bidders to propose a schedule of departures and arrivals, making due connections with the Union Pacific railroad at Grand Island Station.

14454. From Beatrice, by Saline City, to Big Sandy, 40 miles and back, once a week.

Leave Beatrice Monday at 6 a. m.; arrive at Big Sandy by 8 p. m.; leave Big Sandy Tuesday at 6 a. m.; arrive at Beatrice by 8 p. m.

Proposals for twice-a-week service invited.

14455. From Plattsmouth, by Weeping Water, Stoor Creek, (no office,) Shirley station, (no office,) Lancaster, Saline City, and Middle Creek, (no office,) to Blue River, (no office,) 85 miles and back, once a week.

Leave Plattsmouth Monday at 6 a. m.; arrive at Blue River next day by 6 p. m.; leave Blue River Wednesday at 6 a. m.; arrive at Plattsmouth next day by 6 p. m.

COLORADO.

Service from July 1, 1868, *to June* 30, 1870.

17028. From Conejos, by Loma, to Saughuache, 90 miles and back, once a week.

Leave Conejos Monday at 7 a. m.; arrive at Saughuache next day by 7 p. m.; leave Saughuache Wednesday at 7 a. m.; arrive at Conejos next day by 7 p. m.

17029. From Erupea City, (no office,) by Argentine Pera, (no office,) and Munchy District, (no office,) to Breckenridge, (supposed to mean from Empire City, by Argentine, Peru, and Montezuma, to Breckenridge,) 32 miles and back, once a week.

Leave Empire City Monday at 6 a. m.; arrive at Breckenridge by 5 p. m.; leave Breckenridge Tuesday at 6 a. m.; arrive at Empire City by 5 p. m.

17030. From Boulder to Jamestown, 14 miles and back, once a week.

Leave Boulder Wednesday at 6 a. m.; arrive at Jamestown by 10 a m.; leave Jamestown Wednesday at 12 m.; arrive at Boulder by 4 p. m.

17031. From Pueblo, by Rock, Carson Ridge, (n. o.,) and Frazier's Settlement, (n. o.,) to Carson City, (n. o.,) 55 miles and back, once a week.

Leave Pueblo Monday at 6 a. m.; arrive at Carson City next day by 3 p. m.; leave Carson City Wednesday at 6 a. m.; arrive at Pueblo next day by 3 p. m.

[Supposed to be from Pueblo, by Rock Canon Bridge and Frazier's Settlement, to Canon City.]

17032. From Puebla to Homosilla, 20 miles and back, once a week.

Leave Pueblo Wednesday at 5 a. m.; arrive at Homosilla by 12 m.; leave Homosilla Wednesday at 1 p. m.; arrive at Pueblo by 8 p. m.

17033. From Badito to Spanish Peaks, (n. o.,) 18 miles and back, once a week.

Leave Badito Wednesday at 5 a. m.; arrive at Spanish Peaks by 12 m.; leave Spanish Peaks Wednesday at 1 p. m.; arrive at Badito by 8 p. m.

17034. From Mountain City to South Boulder, 5 miles and back, twice a week.

Leave Mountain City Wednesday and Saturday at 3 p. m.; arrive at South Boulder by 6 p. m.; leave South Boulder Wednesday and Saturday at 9 a. m.; arrive at Mountain City by 12 m.

UTAH.

Service from July 1, 1868, *to June* 30, 1870.

16633. From Huntsville to Bennington, (no office,) 120 miles and back, once a week.

Leave Huntsville Monday at 6 a. m.; arrive at Bennington Wednesday by 6 p. m.; leave Bennington Thursday at 6 a. m.; arrive at Huntsville Saturday by 6 p. m.

16634. From Beaver, by Greenville, Minersville, and Panaca, to Hiko, Nevada, 195 miles and back, once a week.

Leave Beaver Tuesday at 8 a. m.; arrive at Hiko Friday by 8 p. m.; leave Hiko Monday at 8 a. m.; arrive at Beaver Thursday by 8 p. m.

Proposals for twice and also for three-times-a-week service invited.

ARIZONA.

Service from July 1, 1868, *to June* 30, 1870.

17215. From Prescott, by Lynx Creek, (no office,) Bigbug, (no office,) and Woolsey Ranch, (no office,) to Turkey Creek, (no office,) 70 miles and back, once a week.

Leave Prescott Monday at 6 a. m.; arrive at Turkey Creek next day by 6 p. m.; leave Turkey Creek Wednesday at 6 a. m.; arrive at Prescott next day by 6 p. m.

17216. From Prescott, by Wickenburg and Maricopa Wells, to Pimos Villages, 150 miles and back, once a week.

Leave Prescott Monday at 7 a. m.; arrive at Pimos Villages Wednesday by 7 p. m.; leave Pimos Villages Thursday at 7 a. m.; arrive at Prescott Saturday by 7 p. m.

NEW MEXICO.

Service from July 1, 1868, *to June* 30, 1870.

17411. From Albuquerque, by Chilili, (no office,) Tajique, (no office,) Mongaro, (no office,) and Punta de la Agua, (no office,) to Fort Stanton, 152 miles and back, once a week.

Leave Albuquerque Monday at 6 a. m.; arrive at Fort Stanton Thursday, by 12 m.; leave Fort Stanton Thursday at 2 p. m.; arrive at Albuquerque Sunday by 6 p. m.

17412. From Fort Union, by Anton Chico, Agua Negra, (no office,) Fort Sumner, Fort Stanton, (no office,) and Tularosa, to Franklin, Texas, 420 miles and back, once a week.

Leave Fort Union Monday at 6 a. m.; arrive at Franklin in seven days by 6 p. m.; leave Franklin Monday at 6 a. m.; arrive at Fort Union in seven days by 6 p. m.

Form of proposal, guarantee, and certificate.

PROPOSAL.

The undersigned —— ——, whose post office address is ——, county of ——, State of ——, proposes to convey the mails of the United States, from July 1, 1868, to June 30, 1870, on route No. ——, between ——— and ———, under the advertisement of the Postmaster General, dated November 30, 1867, with "celerity, certainty, and security," for the annual sum of ——— dollars.

This proposal is made with full knowledge of the distance of the route, the weight of the mail to be carried, and all other particulars in reference to the route and service, and also after careful examination of the laws and instructions attached to the advertisement.

(Signed.)

Dated.

GUARANTEE.

The undersigned, residing at ———, State of ———, undertake that, if the foregoing bid for carrying the mail on route No.———, be accepted by the Postmaster General, the bidder shall, prior to the 1st day of July, 1868, enter into the required obligation or contract to perform the service proposed, with good and sufficient sureties.

This we do, understanding distinctly the obligations and liabilities assumed by guarantors under the 27th section of the act of Congress of July 2, 1836.

(Signed by two guarantors.)

Dated.

CERTIFICATE.

The undersigned, postmaster at ———, State of ———, certifies, *under his oath of office*, that he is acquainted with the above guarantors, and knows them to be men of property, and able to make good their guarantee.

(Signed.)

Dated.

Instructions, containing conditions to be incorporated in the contracts to the extent the department may deem proper.

Seven minutes are allowed to each intermediate office, when not otherwise specified, for opening and examining the mails.

No pay will be made for trips not performed; and for each of such omissions, not satisfactorily explained, three times the pay of the trip may be deducted. For arrivals so far behind time as to break connection with depending mails, and not sufficiently excused, one-fourth of the compensation for the drip is subject to forfeiture.

Fines will be imposed, unless the delinquency be promptly and satisfactorily explained by certificates of postmasters or the affidavits of other credible persons, for failing to arrive in contract time; for neglecting to take the mail from, or deliver it into, a post office; for suffering it to be wet, injured, destroyed, robbed, or lost.

The Postmaster General may annul the contract for repeated failures to run agreeably to contract; for violating the post office laws, or disobeying the instructions of the department; for refusing to discharge a carrier when requested by the department to do so; for assigning the contract without the assent of the Postmaster General; or for transporting persons or packages conveying mailable matter out of the mail.

The Postmaster General may order an increase of service on a route by allowing therefor a *pro rata* increase on the contract pay. He may change schedules or departures and arrivals in all cases, and particularly to make them conform to connections with railroads, without increase of pay, provided the running time be not abridged. He may also order an increase of speed, allowing, within the restrictions of the law, a *pro rata* increase of pay for the additional stock or carriers, if any. The contractor may, however, *in the case of increase of speed*, relinquish the contract, by giving prompt notice to the department that he prefers doing so to carrying the order into effect. The Postmaster General may also discontinue or curtail the service, in whole or in part, in order to place on the route a greater degree of service, or whenever the public interests, in his judgment, shall require such discontinuance or curtailment for any other cause; he allowing as full indemnity to contractor one month's extra pay on the amount of service dispensed with, and a *pro rata* compensation for the amount of service retained and continued.

Payments will be made for the service by collections from or drafts on postmasters, or otherwise, after the expiration of each quarter—say in November, February, May, and August.

The distances are given according to the best information; but no increased pay will be allowed should they be greater than advertised, if the points to be supplied be correctly stated. *Bidders must inform themselves on this point.*

Bidders are requested to use, as far as practicable, the printed form of proposal furnished by the department, to write out in full the sum of their bids, and to retain copies of them.

Each bid must be guaranteed by two responsible persons.

The bid should be sealed, superscribed "Mail Proposals, State of ——," addressed "Second Assistant Postmaster General, Contract Office," and sent by *mail*, not by or to an agent; and postmasters will not enclose proposals (or letters of any kind) in their quarterly returns.

The contracts are to be executed and returned to the department by or before the 1st of July, 1868; but the service must be begun on that day, or on the next mail day thereafter, whether the contracts be executed or not. Transfers of contracts, or of interest in contracts, are forbidden by law, and consequently cannot be allowed. Bidders will therefore take notice that they will be required to perform the service accepted to them through the whole term of the contract.

Section 18 of the act of Congress approved March 3, 1845, provides that contracts for the transportation of the mail shall be let, "in every case, to the lowest bidder tendering sufficient guarantees for faithful performance, without other reference to the mode of such transportation than may be necessary to provide for the due celerity, certainty, and security of such transportation." Under this law, bids that propose to transport the mail with "celerity, certainty, and security," having been decided to be the only legal bids, are construed as providing for the entire mail, however large, and whatever may be the mode of conveyance necessary to insure its "celerity, certainty, and security;" and no others will be considered. Except in the case of railroad and steamboat routes, *bids naming any particular mode of conveyance are invariably rejected.*

A modification of a bid in any of its essential terms is tantamount to a new bid, and cannot be received, so as to interfere with a regular competition, after the last hour set for receiving bids. Making a new bid, with guarantee and certificate, is the only way to modify a previous bid.

Postmasters are to be careful not to certify to the sufficiency of guarantors or sureties without knowing that they are persons of sufficient responsibility; *a disregard of this instruction by postmasters is a violation of their oath of office, subjecting them to immediate removal.* All bidders, guarantors, and sureties are distinctly notified that on a failure to enter into or perform the contracts for the service proposed for in the accepted bids, their legal liabilities will be enforced against them.

Present contractors, and persons known at the department, must, equally with others, procure guarantors and certificates of their sufficiency substantially in the forms above prescribed. The certificate of sufficiency must be signed by a postmaster, or by a judge of a court of record; no other will be admitted. The certificate must also have affixed to it a five-cent revenue stamp, cancelled, as required by law.

ALEX. W. RANDALL,
Postmaster General.

No. 2.

UNITED STATES MAILS—OVERLAND AND TERRITORIAL.

POST OFFICE DEPARTMENT,
Washington, March 9, 1868.

Proposals will be received at the contract office of this department until 3 p. m. of June 10 next, (to be decided by the 15th,) for conveying the mails of the United States in Kansas, Colorado, Utah, Idaho, Montana, and Nevada, from October 1, 1868, to June 30, 1870, on the routes and by the schedules of departures and arrivals herein specified.

KANSAS.

14167. From Coyote (end of the Union Pacific railroad, E. D.) to Denver, (Colorado,) 265 miles and back daily.

Leave Coyote daily at 6 a. m., (or on arrival of cars from the east;) arrive at Denver in seventy-two hours; leave Denver daily at 6 a. m.; arrive at Coyote in seventy-two hours.

The route and service will be curtailed at *pro rata* reduction of pay as the railroad is extended westward.

COLORADO.

17035. From Cheyenne, (Dakota,) by La Porte, to Denver, (Colorado,) 102 miles and back, daily, supplying such offices as are on the route, at the discretion of the department.

Leave Cheyenne daily at 6 a. m., (or on arrival of cars from the east;) arrive at Denver in 24 hours; leave Denver daily at 6 a. m.; arrive at Cheyenne in 24 hours.

UTAH.

16635. From Cheyenne, (Dakota,) or that point on the Union Pacific railroad to which the mails are being conveyed when this service goes into operation, by Laramie City, Fort Sanders, Elk Grove, Fort Bridger, (Utah,) Echo City, Coalville, Enterprise, Morgan, Hoytsville, Salt Lake City, Tooele, Stockton, Fairfield, Egan Cañon, (Nevada,) Ruby Valley, Austine, Clan Alpine, Saint Clair Station, and Stillwater, to Virginia City, 1,095 miles and back, daily.

Leave Cheyenne daily, except Sunday, at 8 a. m., (or on arrival of train from the east;) arrive at Virginia City in nine days; leave Virginia City daily, except Sunday, at 8 a. m.; arrive at Cheyenne in nine days.

Winter schedule, twelve days.

The route and service will be curtailed at *pro rata* reduction of pay, as each 50 miles of the Union Pacific road is completed westward, and the mail service ordered thereon.

The department reserves the right to curtail the service at its western terminus when the Central Pacific road shall have progressed east a sufficient distance to warrant it in starting the western mails from a point on the railroad, rather than from Virginia City.

The department also reserves the right to change the hour of departure at either end of the route, that due connections may be made east and west.

16636. From Fort Bridger to South Pass City, (n. o,) Dakota, 100 miles and back, once a week.

Leave Bridger Monday at 6 a. m.; arrive at South Pass City next day by 6 p. m.; leave South Pass City Wednesday at 6 a. m.; arrive at Fort Bridger next day by 6 p. m.

Proposals for three-times-a-week service invited.

16637. From Salt Lake City, by Stoker, Centreville, Farmington, Kaysville, South Weber, Willard, Brigham City, Bear River Junction, (n. o.,) Boise City, (Idaho,) Montgomery, Shepherdsville, Martinsville, Middleton, Wieser Ranch, Express Ranch, (Oregon,) Auburn, Baker City, Union, Summersville, Mitchell's Station, Walla-Walla, (Washington Territory,) Wallula, and Umatilla, to The Dalles, 875 miles and back, six times a week.

Leave Salt Lake City daily, except Sunday, at 8 a. m.; arrive at The Dalles in nine days; leave the Dalles daily, except Sunday, at a. m.; arrive at Salt Lake City in nine days.

Winter schedule, twelve days.

Proposals invited for six-times-a-week service from Salt Lake City to Boise City, (Idaho,) and three times a week the residue.

Also for three-times-a-week service over the entire route.

IDAHO.

15714. From Bear River Junction, (n. o.,) by Portage, Malade City, Fort Hall, Eagle Rock, Snake River Ferry, and Junction Ranch, (n. o.,) to Virginia City, 302 miles and back, three times a week.

Leave Bear River Junction Monday, Wednesday, and Friday at 8 a. m.; arrive at Virginia City third day by 6 p. m.; leave Virginia City Monday, Wednesday, and Friday at 8 a. m.; arrive at Bear River Junction third day by 6 p. m.

Proposals for six-times-a-week service invited.

15715. From Boise City, by Willow Creek, (Oregon,) (n. o.,) Camp Logan, (n. o.,) Strawberry Valley, (n. o.,) Union, and Marysville, (n. o.,) to Canyon City, 159 miles and back, once a week.

Leave Boise City Monday at 7 a. m.; arrive at Canyon City Wednesday by 7 p. m.; leave Canyon City Thursday at 7 a. m.; arrive at Boise City Sunday by 7 p. m.

Proposals for three-times-a-week service invited.

MONTANA.

16023. From Virgina City, by Nevada City, Sheridan, Sturgis, and Montana, to Bannack City, 73 miles and back, three times a week.

Leave Virginia City Monday, Wednesday, and Friday at 8 a. m.; arrive at Bannack City next days by 12 m.; leave Bannack City Monday, Wednesday, and Friday at 8 a. m.; arrive at Virginia City next days by 12 m.

NEVADA.

16437. From Genoa, by Taho and Slippery Ford, to Placerville, 78 miles and back, once a week.

Leave Genoa Monday at 8 a. m.; arrive at Placerville next day by 12 m.; leave Placerville Wednesday at 8 a. m.; arrive at Genoa next day by 12 m.

NOTES.

Each route must be paid for separately, with separate guarantee and certificate, and must provide for the conveyance of the mail with "celerity, certainty, and security," using the terms of the law, and proposal must be guaranteed by two responsible persons, certified to as such by a postmaster or judge of a court of record.

No pay will be made for trips not performed, and for each of such omissions not satisfactorily explained three times the pay of the trip may be deducted. For arrivals so far behind time as to break connection with depending mails, and not sufficiently excused, one-fourth of the compensation for the trip is subject to forfeiture. Fines will be imposed, unless the delinquency be satisfactorily explained, for neglecting to take the mail from or into a post office; for suffering it to be injured, destroyed, robbed, or lost; or for refusing, after demand, to convey the mail as frequently as the contractor runs, or is concerned in running, vehicles on the route. The Postmaster General may annul the contract for disobeying the post office laws, or the instructions of the department. He may alter the schedule of departure and arrivals, and also order an increase of service by allowing therefor a *pro rata* increase on contract pay. He may also curtail or discontinue the service in whole or in part, at a proportionate decrease of pay, allowing, as full indemnity to the contractor, one month's extra compensation on the amount of service dispensed with, and a *pro rata* compensation for the service retained and continued.

For form of proposal, &c., see advertisement, in pamphlet form, of routes in Kansas, Nebraska, Colorado, &c., dated November 30, 1867, or any similar advertisement issued by the department.

Bids should be addressed to the "Second Assistant Postmaster General," superscribed "Proposals, State of ———," and sent by *mail*.

ALEX. W. RANDALL,
Postmaster General.

No. 3.

UNITED STATES POST OFFICE DEPARTMENT,
CONTRACT OFFICE,
Washington, June 15, 1868.

SIR: The Postmaster General has accepted your proposal, under advertisement of March 9, 1868, for conveying the United States mail, from October 1, 1868, to June 30, 1870, on (Utah) route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, at $335,000 a year, "with celerity, certainty, and security."

Contracts to be executed by yourself and sureties will be sent out immediately, which must be duly executed, returned, and filed in the department by the 1st July, 1868.

You will request the postmaster at the beginning and end of the route to inform this office when you make the first trip.

Please acknowledge the receipt of this letter immediately.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

Mr. CARLTON SPAIDS, *Chicago, Ill.*

No. 4.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, June 15, 1868.

SIR: You are requested to inform the department by letter, immediately, whether, in case of the failure of the lowest bidder, under the advertisement of March 9, 1868, to execute contracts for carrying the mails on route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, you would accept the contract if it were offered to you by the department at his bid of $335,000 a year.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

LOUIS MCLANE,
President Wells, Fargo & Co., New York, N. Y.

No. 5.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, June 15, 1868.

GENTLEMEN: You are requested to inform the department, by letter, immediately, whether, in case of the failure of the lowest bidder, under the advertisement of March 9, 1868, to execute contracts for carrying mails on route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, you would accept the contract if it were offered to you by the department at his bid of $335,000 a year.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

JOHN ALLMAN,
JOHN H. CLARK,
Washington, D. C.

No. 6.

POST OFFICE DEPARTMENT, CONTRACT OFFCE,
Washington, June 15, 1868.

SIR: You are requested to inform the department, by letter, immediately, whether, in case of the failure of the lowest bidder, under the advertisement of March 9, 1868, to execute contracts for carrying the mails on route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, you would accept the contract, if it were offered to you by the department at his bid of $335,000 a year.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CHARLES A. COOK, Esq.,
Denver, Colorado Territory.

No. 7.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, June 15, 1868.

SIR: You are requested to inform the department, by letter, immediately, whether, in case of the failure of the lowest bidder, under the advertisement of March 9, 1868, to execute contracts for carrying the mails on route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, you would accept the contract if it were offered to you by the department at his bid of $335,000 a year.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CHARLES McLAUGHLIN,
San Francisco, California.

No. 8.

OFFICE OF WELLS, FARGO & COMPANY,
STAGE DEPARTMENT,
New York, June 16, 1868.

SIR: I have your favor of yesterday requesting me to "inform the department immediately whether, in case of the failure of the lowest bidder, under the advertisement of March 9, 1868, to execute contracts for carrying the mails on route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, this company would accept the contract, if offered to it by the department at his bid of $335,000 per annum," and have to say, in reply, that this company respectfully decline the contract at the price named above.

Yours, truly,

LOUIS McLANE,
President Wells, Fargo & Co.

HON. GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 9.

WASHINGTON, D. C., *June* 17, 1868.

DEAR SIR: Your letter of the 15th instant, requesting me to inform the department, by letter, immediately, whether, in case of the failure of the lowest bidder under the advertisement of March 9, 1868, to execute contracts for carrying the mails on route No. 16,635, between Cheyenne, Dakota, and Virginia City, Nevada, you would accept the contract if it were offered to you by the department at his bid of $335,000 per annum, has just been received, and in reply we have the honor to state that, in accordance with the advertisement of March 9, 1868, we put in a bid to carry the mails from the terminus of the Union Pacific railroad, in Dakota, to Virginia City, Nevada, for the annual compensation of $460,000, service to commence on the 1st of October, 1868, and that we hold ourselves in readiness to execute the contract; but as to your question whether we would accept the contract for the compensation of $335,000, we are, at present, not prepared to answer.

Very respectfully, your obedient servant,

JOHN ALLMAN.
JOHN H. CLARK.

No. 10.

WASHINGTON, *June* 20, 1868.

DEAR SIR: Your communication of the 15th instant, in regard to the acceptance of my bid on route 16,635, is received and contents noticed.

Respectfully, &c.,

CARLTON SPAIDS.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 11.

[Telegram.]

POST OFFICE DEPARTMENT, *June* 23, 1868.

J. W. CLAMPITT,
Special Agent P. O. Department, Salt Lake City, Utah Territory:

Inquire carefully and inform the department, by telegraph, what is the average weight per day of all the mails carried on the overland route, east and west, by way of Salt Lake City.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 12.

[Telegram dated Salt Lake, Utah, June 23, 1868; received at Post Office June 25, 1868.]

GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Clampitt absent; will weigh mails and report average by close of this week.

A. W. STREET.

No. 13.

[Telegram—dated Salt Lake City, July 1, 1868; received at Post Office July 2.]

Ion. GEO. W. MCLELLAN:

Average weight per day for six (6) days of all mails carried on over-
and route east via Salt Lake City, three hundred and thirty-nine (339)
ounds; west, six hundred and forty-three (643) pounds. Average going
ast, light; going west, light. No public documents.

A. W. STREET, *P. M.*

No. 14.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
July 25, 1868.

SIR: You are instructed to weigh, daily, all the mails carried on the
verland route, east and west, by way of Salt Lake City, from the date
t which you receive this letter until further instructed, and keep an
ccurate account of the results, which you will report to the office at the
lose of each calendar month, in tabular form, showing, in the first column,
he date of weighing; in the second, the amount, in pounds, carried west;
n the third, the amount, in pounds, carried east; and in the fourth, any
ecessary remarks.

The intention of the department is to compare the amount of matter
onveyed on the overland route under the existing contract, with the
mount which may be conveyed on the same route after the 1st of Octo-
er next, the commencement of the term of the new contract recently
ade with Carlton Spaids, of Chicago, Illinois.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER *Salt Lake City, Utah.*

P. S.—Acknowledge this.

No. 15.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., June 24, 1868.

SIR: From information on file in this office, the department obtains
e following summary of the number of bags and weight of California
ocument mails sent by steamers from New York in the months of
ugust, September, and October, 1864:

1864.		Pounds.
ugust	1, 175 bags, 60 pounds each	10, 500
	13, 160 " " "	9, 600
	23, 135 " " "	8, 100
eptember	1, 175 bags, 60 pounds each	10, 500
	13, 129 " " "	8, 740
	23, 197 " " "	11, 820

			Pounds.
October	1, 150	bags, 60 pounds each	9,000
	13, 149	“ “ “	8,740
	24, 215	“ “ “	12,900

You are requested to furnish, by return mail, a similar statement, or estimate, for two or three months last past.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER *New York, N. Y.*

No. 16.

POST OFFICE, *New York, June* 26, 1868.

SIR: In accordance with your request of the 24th instant, I have the honor to enclose a statement of the number of bags, and weight, of California document mails, sent by steamer from this city, from April 1, 1868, to date:

1868.			Pounds.
April	1, 259	bags, 70 pounds each	18,130
	9, 208	“ “ “	14,560
	16, 176	“ “ “	12,320
	24, 219	“ “ “	15,330
May	1, 195	bags, 70 pounds each	13,650
	9, 214	“ “ “	14,980
	16, 172	“ “ “	12,040
	23, 192	“ “ “	13,440
June	1, 240	bags, 70 pounds each	16,800
	9, 226	“ “ “	15,820
	16, 192	“ “ “	13,440
	24, 237	“ “ “	16,590

I have the honor to be, very respectfully, your obedient servant,

JOHN W. NORTON,
Assistant Postmaster.

HON. GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 17.

UNITED STATES OF AMERICA,
Chicago, Illinois.

No. 16,635.—$335,000 per annum.

This article of contract, made June 15, 1868, between the United States (acting in this behalf by their Postmaster General) and Carlton Spaids, and S. P. Brown, J. W. Shaffer, and C. D. Spaids as his sureties,

Witnesseth, that whereas Carlton Spaids has been accepted, according to law, as contractor for transporting the mail on route No. 16,635, from Cheyenne, Dakota, or that point on the Union Pacific railroad to which the mails are being conveyed when this service goes into operation, by Laramie City, Fort Sanders, Elk Grove, Fort Bridger, Utah, Echo City, Coalville, Enterprise, Morgan, Salt Lake City, Tooele, Stockton, Fairfield, Egan Cañon, Ruby Valley, Austin, Clan Alpine, Saint Clare Station, Nevada, and Stillwater, to Virginia City, and back daily.

The route and service will be curtailed, at *pro rata* reduction of pay, as each fifty miles of the Union Pacific road is completed westward and the mail service ordered thereon.

The department reserves the right to curtail the service at its western terminus when the Central Pacific road shall have progressed east a sufficient distance to warrant it in starting the western mails from a point on the railroad rather than from Virginia City.

The department also reserves the right to change the hour of departure at either end of the route, that due connections may be made east and west, at $335,000 per year, for and during the term beginning October 1, 1868, and ending June 30, 1870:

Now, therefore, the said contractor and his sureties do jointly and severally undertake, covenant, and agree with the United States, and do bind themselves—

1st. To carry said mail with certainty, celerity, and security, using therefor such means as may be necessary to transport the whole of said mail, whatever may be its size, or weight, or increase, during the term of this contract, and within the time fixed in the annexed schedule of departures and arrivals, except that when more than seven minutes are taken for opening and closing the mails at any office, the surplus time so taken is to be allowed in addition to what is given in the schedule; and so carry until said schedule is altered by the authority of the Postmaster General of the United States, as hereinafter provided, and then to carry according to said altered schedule. 2d. To carry said mail in a safe and secure manner, free from wet or other injury, under a sufficient oilcloth or bearskin if carried on a horse, and in a boot under the driver's seat if carried in a coach or other vehicle, and in preference to passengers, and to their entire exclusion, if its weight and bulk require it. 3d. To take the mail and every part of it from, and deliver it and every part of it at, each post office on the route, or that may hereafter be established on the route, and into the post office at each end of the route, and into the post office at the place at which the carrier stops at night, if one is there kept; and if no office is there kept, to lock it up in some secure place, at the risk of the contractor.

They also undertake, covenant, and agree with the United States, and do bind themselves jointly and severally as aforesaid, to be answerable for the person to whom the said contractor shall commit the care and transportation of the mail, and accountable to the United States for any damages which may be sustained by the United States through his unfaithfulness or want of care; and that the said contractor will discharge any carrier of said mail whenever required to do so by the Postmaster General; also, that he will not transmit, by himself or his agent, or be concerned in transmitting, commercial intelligence more rapidly than by mail; and that he will not carry out of the mail letters or newspapers which should go by post. And, further, the said contractor will convey, without additional charge, post office blanks, mail locks, and bags; also, the special agents of the department, on the exhibition of their credentials, if a coach or other suitable conveyance is used.

They further undertake, covenant, and agree with the United States, that the said contractor will collect quarterly, if required by the Postmaster General, of postmasters on said route, the balances due from them to the United States on their quarterly returns, and faithfully render an account thereof to the Postmaster General in the settlement of his quarterly accounts, and will pay over to the Auditor of the Treasury for the Post Office Department, on the order of the Postmaster General, all balances remaining in his hands.

For which service, when performed, the said Carlton Spaids, contractor, is to be paid by the said United States the sum of $335,000 a year, to wit, quarterly in the months of November, February, May, and August, through the postmasters on the route, or otherwise, at the option of the Postmaster General of the United States; said pay to be subject, however, to be reduced or discontinued by the Postmaster General, as hereinafter stipulated, or to be suspended in case of delinquency.

It is hereby stipulated and agreed by the said contractor and his sureties, that the Postmaster General may alter the contract and alter the schedule, he allowing a *pro rata* increase of compensation within the restrictions imposed by law for the additional service required, or for the increased speed, if the employment of additional stock or carriers is rendered necessary; but the contractor may, in case of increased expedition, relinquish the contract on timely notice, if he prefer it to the change; also, that the Postmaster General may discontinue or curtail the service in whole or in part, in order to place on the route a greater degree of service, or whenever the public interests in his judgment shall require such discontinuance or curtailment for any other cause; he allowing as a full indemnity to the contractor one month's extra pay on the amount of service dispensed with, and a *pro rata* compensation for the amount of service retained and continued.

It is hereby also stipulated and agreed by the said contractor and his sureties, that in all cases there is to be a forfeiture of the pay of a trip when the trip is not run; and of not more than three times the pay of the trip when the trip is not run and no sufficient excuse for the failure is furnished; a forfeiture of at least one-fourth part of it when the running is so far behind time as to lose connection with a depending mail; and that these forfeitures may be increased into penalties of higher amount, according to the nature or frequency of the failure, and the importance of the mail; also, that fines may be imposed upon the contractor, unless the delinquency be satisfactorily explained to the Postmaster General in due time, for failing to take from or deliver at a post office the mail, or any part of it; for suffering it to be wet, injured, lost, or destroyed; for carrying it in a place or manner that exposes it to depredation, loss, or injury, by being wet or otherwise; for intrusting the mail to a carrier under sixteen years of age; for refusing, after demand, to convey a mail by any conveyance which the contractor regularly runs, or is concerned in running, on the route, beyond the number of trips above specified; or for not arriving at the time set in the schedule. And for setting up or running an express to transmit letters or commercial intelligence in advance of the mail, or for transporting, knowingly, or after being informed, any one engaged in transporting letters or mail matter in violation of the laws of the United States, a penalty may be exacted of the contractor equal to a quarter's pay; but in all other cases no fine shall exceed three times the price of the trip. And whenever it is satisfactorily shown that the contractor, his carrier or agent, has left or put aside the mail, or any portion of it, for the accommodation of passengers, he shall forfeit not exceeding a quarter's pay.

And be it hereby further stipulated and agreed by the said contractor and his sureties, that the Postmaster General may annul the contract for repeated failures; for violating the post office laws; for disobeying the instructions of the department; for refusing to discharge a carrier when required by the department; for assigning the contract without the consent of the Postmaster General; for setting up or running an express as aforesaid; or for transporting persons conveying mail matter out of the mail as aforesaid; or whenever the contractor shall become a postmaster, assistant postmaster, or member of Congress; and this contract shall, in all its parts, be subject to the terms and requisitions of an act of Congress passed on the twenty-first day of April, in the year of our Lord one thousand eight hundred and eight, entitled "An act concerning public cohtracts."

In witness whereof, the said Postmaster General has caused the seal of the Post Office Department to be hereto affixed, and has attested the same by his signature, and the said contractor and his sureties have hereunto set their hands and seals, the day and year set opposite their names, respectively.

Signed, sealed, and delivered by the Postmaster General in the presence of ——.

ALEX. W. RANDALL,
Postmaster General.

And by the other parties hereto in the presence of—
S. J. BOWEN.

CARLTON SPAIDS, [SEAL.]
Chicago, Illinois, June 30, 1868.
S. P. BROWN, [SEAL.]
Washington, D. C., June 30, 1868.
J. W. SHAFFER, [SEAL.]
Freeport, Illinois, June 30, 1868.
C. D. SPAIDS, [SEAL.]
Chicago, Illinois, June 30, 1868.

I hereby certify that S. P. Brown, J. W. Shaffer, and C. D. Spaids are good and sufficient sureties, for the amount in the foregoing contract. I know Mr. Brown to be a man of wealth, and the other parties are represented to me as being men of large property and able to make good this contract.

S. J. BOWEN,
Postmaster at Washington, D. C.

The schedule of departures and arrivals.

Leave Cheyenne daily, except Sunday, at 8 a. m., (or on arrival of train from the east.) Arrive at Virginia City in nine days.

Leave Virginia City daily, except Sunday, at 8 a. m. Arrive at Cheyenne in nine days.

Winter schedule 12 days.

Oath required by law, acts of July 2, 1862, *and March* 3, 1863.

I, Carlton Spaids, being "employed in the care, custody, and conveyance of the mail" (as contractor) on route No. 16,635, from Cheyenne, Dakota, to Virginia City, State of Nevada, do swear that I will faithfully perform all the duties required of me, and abstain from everything forbidden by the laws in relation to the establishment of post offices and post roads within the United States; and that I will honestly and truly account for and pay over any moneys belonging to the said United States which may come into my possession or control; and I further solemnly swear that I have never voluntarily borne arms against the United States since I have been a citizen thereof; that I have voluntarily given no aid, countenance, counsel, or encouragement to persons engaged in armed hostility thereto; that I have neither sought nor accepted, nor attempted to exercise the functions of, any office whatever under any authority, or pretended authority, in hostility to the United States; that I have not yielded a voluntary support to any pretended government, authority, power, or constitution within the United States, hostile or inimical thereto. And I do further swear that, to the best of my knowledge and ability, I will support and defend the Constitution of the United States against all enemies, foreign or domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office (or trust) on which I am about to enter: So help me God.

CARLTON SPAIDS.

Sworn before the subscriber, a justice of the peace for the county of Washington, District of Columbia, this 30th day of June, A. D. 1868; and I also certify that the person above named is above the age of sixteen years, to the best of my knowledge and belief.

[SEAL.] JAMES LAWRENSON,
Justice of the Peace.

No. 18.

[Telegram.—Received at Capitol post office June 30.]

JUNE 30, 1868.

To General MCLELLAN, *Assistant Postmaster General:*

Please send message to House of Representatives saying whether Spaids files his bonds O. K.

U. H. PAINTER.

No. 19.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, June 30, 1868.

U. H. PAINTER, *Reporter, House of Representatives:*

Spaids has filed his bonds, duly executed.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 20.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., July 18, 1868.

SIR: The Postmaster General desires you to state to the department, in writing, whether it is your purpose to transport all the mails which may be necessary to be conveyed over the route No. 16,635, between Cheyenne, Dakota, or that point on the Union Pacific railroad to which the mails are being conveyed when your service goes into operation, and Virginia City, Nevada, under your accepted bid of $335,000 per annum.

An immediate answer is desired.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq., *Chicago, Illinois.*

No. 21.

POST OFFICE SALT LAKE CITY, UTAH TERRITORY,
August 6, 1868.

SIR: Your letter of the 25th ultimo, instructing me to weigh daily all the mails carried on the overland route, east and west, by way of Salt Lake City, was received on the evening of the 2d instant, and the mails have been weighed as directed, commencing on the 3d instant.

Your communication was received during my temporary absence. I returned yesterday, which will be my excuse for not acknowledging its receipt at once.

Very respectfully,

A. W. STREET, *Postmaster.*

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 22.

[Telegram.]

WASHINGTON, *August* 23, 1868.

CHARLES McLAUGHLIN, *San Francisco, California:*

Are you willing to take overland contract at your bid?

SECOND ASSISTANT POSTMASTER GENERAL.

[Telegram dated San Francisco, California, August 28, 1868.—Received at Washington August 29, 1868.]

SECOND ASSISTANT POSTMASTER GENERAL:

I will contract to carry overland mail if notified soon.

CHARLES McLAUGHLIN.

No. 23.

POST OFFICE SALT LAKE CITY, UTAH TERRITORY,
September 8, 1868.

SIR: In accordance with your instructions of 25th July, I hand you herewith report of weight of mails carried east and west to and from this office for the month of August, beginning on the 3d of that month, that being the date when your instructions were received.

Very respectfully,

A. W. STREET, *Postmaster.*

Hon. G. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 24.

Weight of mails received and sent from Salt Lake City, Utah Territory, on overland route, east and west.

Date.	Carried west.		Carried east.		Remarks.
	Received from west.	Sent to west.	Received from east.	Sent to east.	
1868.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	
August 3	337	350	....	475	No mail from east.
4	397	255	551	440	
5	435	399	779	586	
6	100	140	1,177	390	Sunday's mail for west.
7	462	163	25	476	Sunday's mail for east.
8	325	415	1,355	375	
9	450	465	1,200	420	
10	465	290	1,324	566	
11	386	340	896	586	
12	333	577	1,022	342	
13	26	242	487	270	Sunday's mail for west.
14	276	49	10	347	Sunday's mail for east.
15	359	378	945	432	
16	524	381	936	315	
17	505	420	530	485	
18	350	270	485	345	
19	350	588	1,042	339	
20	16	272	717	150	Sunday's mail for west.
21	400	55	6½	418	Sunday's mail for east.
22	577	387	826	176	Western mail arrived 23.
23	336	300	1,265	608	
24	316	250	280	582	
25	318	283	465	425	
26	435	534	1,281	....	Eastern mail changed time.
27	14	340	775	340	Sunday's mail for west.
28	324	75	9	214	Sunday's mail for east.
29	236	633	1,217	372	
30	275	870	1,005	426	
31	396	525	707	310	
	9,723	10,246	21,317½	11,210	

Certified to be correct by—

A. W. STREET, *Postmaster.*

No. 25.

WASHINGTON CITY, D. C., *September* 12, 1868.

SIR: Your favor of July 18, informing me that the Postmaster General desires me to state to the department, in writing, whether it is my purpose to transport all the mails which may be necessary to be carried over the route, "No. 16,635," between Cheyenne, (Dakota,) or that point on the Union Pacific railroad to which the mails are being carried when my service goes into operation, and Virginia City, (Nevada,) under my accepted bid of $335,000 per annum, was received by me in Chicago, Illinois, on the 8th instant; a certificate of the postmaster will account for the delay in the delivery of the letter to me when called for, showing it to be the fault of the office, and not mine. I regret the delay which has prevented me from answering this singular and unusual desire of the department in this case, but will now give a plain and, I hope, satisfactory one:

1st. I purpose and am fully prepared to transport all the mail that the department has a right to require to be transported under the advertisement inviting proposals for route "No. 16,635," and awarded to me on the 12th of June, 1868, in accordance with the conditions of said advertisement.

2d. That after the contract was awarded, viz., on the 12th day of June, Congress passed a law repealing an act which gave direction to the documentary and newspaper mails for the Pacific coast, viz., by the Isthmus route. By the repeal of this law by Congress the whole, or I may say nearly all, of this class of mail matter will be thrown upon this route.

3d. That for every pound of mail matter thrown upon this route in consequence of the legislation of Congress referred to above, I shall expect from the department pro rata pay in accordance with the law and regulations of the department in such cases made and provided, and in conformity with the conditions set forth in said advertisement.

Will the department inform me, as near as possible, the amount of additional mail matter thrown upon this route by the act of Congress referred to, since the contract was awarded, and the additional amount of pay for which the department is responsible in consequence of the additional service?

An immediate answer will very much oblige your respectful and obedient servant,

CARLTON SPAIDS.

Hon. GEO. W. MCLELLAN,
Second Asst. Postmaster General, U. S. P. O. Department.

[Address: Care of S. P. BROWN & SON, corner Fifteenth street and New York avenue, Washington, D. C.]

No. 26.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., September 16, 1868.

SIR: The Postmaster General directs me to acknowledge the receipt of your communication of the 12th instant, announcing that you purpose, and are fully prepared to transport all the mail that the department has a right to require to be transported under the advertisement inviting proposals for route No. 16,635, awarded to you on the 12th June, 1868, in accordance with the conditions of the advertisement, in answer to an inquiry addressed to you on the subject from this office on the 18th July last.

Respectfully,

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq.,
Care S. P. Brown & Son, Corner 15*th street*
and New York avenue, Washington, D. C.

No. 27.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C. September, 16, 1868.

SIR: In compliance with your verbal request I give below a statement of the postmaster at New York, under date of the 26th June, 1868, showing the number of bags and weight of California document mails sent by steamer from New York during the months of April, May, and June last, viz:

1868.	Pounds.
April 1, 259 bags, 70 pounds each	18,130
April 9, 208 bags, 70 pounds each	14,560
April 16, 176 bags, 70 pounds each	12,320
April 24, 219 bags, 70 pounds each	15,330
May 1, 195 bags, 70 pounds each	13,650
May 9, 214 bags, 70 pounds each	14,980
May 16, 172 bags, 70 pounds each	12,040
May 23, 192 bags, 70 pounds each	13,440
June 1, 240 bags, 70 pounds each	16,800
June 9, 226 bags, 70 pounds each	15,820
June 16, 192 bags, 70 pounds each	13,440
June 24, 237 bags, 70 pounds each	16,590

Also the following transcript of a telegram from the postmaster at Salt Lake City, under date of the 1st July, 1868, viz:

> Average weight per day for six (6) days of all mails carried on overland route east, via Salt Lake City, three hundred and thirty-nine (339) pounds; west, six hundred and forty-three (643) pounds. Average going east, light; going west, light. No public documents.

Very respectfully, yours, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq., *Washington, D. C.*

No. 28.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, September 17, 1868.

SIR: I acknowledge your favor of the 8th instant, enclosing your report of the weight of the mails carried on the overland route, east and west of Salt Lake City, for 29 days in August, ultimo, beginning on the 3d, under instructions from this office of the 25th July last.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER,
Salt Lake City, Utah Territory.

No. 29.

WASHINGTON, D. C., *September* 17, 1868.

SIR: I have the honor to acknowledge the receipt of your favor of the 16th instant, informing me that the Postmaster General directs you to acknowledge the receipt of my letter of the 12th instant, "announcing that you purpose and are fully prepared to transport all the mail that the department has a right to require to be transported under the advertisement inviting proposals for route No. 16,635, awarded to you on the 12th June, 1868, in accordance with the condition of the advertisement, in answer to an inquiry addressed to you on the subject from this office on the 18th July last."

It appears that the most important part of my letter, and that portion to which I wish and am entitled to a definite answer from the department, is either overlooked or an answer purposely avoided. I am not bound to carry the mail matter thrown upon this route by the congressional legislation referred to in my letter of the 12th instant, after this contract was awarded without a corresponding equivalent, and was so informed by the department before the contract was executed, and it is important that this question should be settled between me and the department without delay. By giving a definite answer to the following extract from my letter of the 12th instant you will oblige me:

> Will the department inform me, as near as possible, the amount of additional mail matter thrown upon this route by the act of Congress referred to, since the contract was awarded, and the additional amount of pay for which the department is responsible in consequence of the additional service.

And further, will the department pay me quarterly, according to the condition of contract, pro rata pay for the additional service referred to.

Respectfully, your obedient servant,

CARLTON SPAIDS.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General,
U. S. Post Office Dep't, Washington, D. C.

P. S.—Direct, care S. P. Brown & Son, corner 15th street and New York avenue, Washington, D. C.

C. S.

No. 30.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, September 18, 1868.

SIR: To yours of yesterday the Postmaster General directs me to reply, that the department will expect you to carry the mail on route 16,635 strictly according to the terms of your contract, "using therefor such means as may be necessary to transport the whole of said mail, whatever may be its size or weight." You have heretofore been furnished with all the information in the possession of the department respecting the weight of the mails conveyed on the route.

The postmaster at Salt Lake City has been instructed to continue to weigh the mails daily until further ordered, and report the results to the department. His reports, when received, will be transcribed for your information if desired.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq.,
Care S. P. Brown & Son, corner 15th street
and New York avenue, Washington, D. C.

No. 31.

UNION PACIFIC RAILROAD COMPANY,
20 *Nassau street, New York, September* 23, 1868.

DEAR SIR: You can reach General Dodge by telegraphing him at Omaha.

Yours, truly,

OAKES AMES.

Hon. ALEX. W. RANDALL, *P. M. General.*

No. 32.

[Telegram.]

WASHINGTON, D. C., *September* 25, 1868.

Hon. G. M. DODGE, *Omaha, Nebraska:*

Do you know whether Carlton Spaids, contractor for the transportation of the overland mail from 1st October, proximo, between the end of the Union Pacific railroad and Virginia City, has made preparations to perform that service? Answer.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 33.

TREASURY OF THE UNITED STATES,
Washington, September 25, 1868.

SIR: Some months since it was announced that the overland route to the Pacific coast was not considered by the Post Office Department safe for valuable mail matter. Since that announcement the mail of this office has been stamped and transmitted per steamer. I beg to inquire whether the overland route is now considered sufficiently safe and expeditious to warrant the transmission of my official mail by that course.

Very respectfully,

F. E. SPINNER,
Treasurer United States.

Hon. ALEX. W. RANDALL, *P. M. General.*

No. 34.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, September 26, 1868.

SIR: The Postmaster General directs me to acknowledge your favor of yesterday, addressed to him, and to say in answer that the overland route to the Pacific coast is deemed by this department sufficiently safe and expeditious to warrant the transmission thereby of any mail matter whatever.

The existing contracts for the conveyance of mails for the Pacific coast by steamers will expire on the 30th instant; and no arrangements are yet perfected for continuing sea service beyond that date.

Very respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

Hon. F. E. SPINNER,
Treasurer United States, Washington, D. C.

No. 35.

[Telegram.—Received September 26, 1868.]

OMAHA, NEBRASKA, *September* 26, 1868.

GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Mr. Snyder, general superintendent, has just returned from the end of the track, and from all the information he could gather, as well as myself, Spaids has made no preparation for carrying the mails.

G. M. DODGE,
Chief Engineer,
Per J. E. HANSE.

No. 36.

[Telegram.—Received September 26, 1868.]

SALT LAKE CITY, *September* 26, 1868.

HON. GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Overland mail contract expires September 30. No preparations made by new contractors to transport mail that I can learn of. What is to be done? Mail will accumulate terribly.

JOHN W. CLAMPITT,
Special Agent Post Office Department.

No. 37.

WASHINGTON, D. C., *September* 29, 1868.

SIR: Having received no answer to that part of my last communication asking the department to inform me as near as possible the amount of mail matter thrown upon the route No. 16,635, by the act repealing the act of Congress approved March 25, 1864, referred to in that communication, whether the department will pay quarterly according to the conditions of the contract, *pro rata* pay for the additional service, I have come to the conclusion that the Postmaster General has purposely neglected to give me the desired information until it should be too late to be of any service to me in completing my arrangements for stocking the road, and the only course left for me in the absence of the required information, and the uncertainty in relation to the course to be pursued by the Postmaster General, is to decline to transport any mail over this route, until the payment for such service shall be settled definitely by the department or by Congress. From the best information I have been able to get, the mail matter thrown upon this route by act of Congress referred to, after the contract was awarded, and which was not considered either by the department or myself, will amount to more than three times in weight of the ordinary mail transported over this route, or that would be during the continuance of the contract, were it not for the act of Congress referred to. This legislation not having been anticipated at the time the contract was advertised and awarded, and the department having declined to take any responsibility in the matter, I ask to have the time named in the contract to commence the service extended until the 1st day of January, 1869, so that this question can be definitely settled by Congress before the service will commence; or, if more satisfactory to the department, to re-advertise the route, so that bidders can fully understand the service to be performed. This will be satisfactory to me, and I understand this course has been suggested by the Postmaster General.

I am, very respectfully, your obedient servant,

CARLTON SPAIDS.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 38.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, September 29, 1868.

SIR: I beg leave to say, in answer to your communication of this date, that your allegation to the effect that the Postmaster General has purposely neglected to give you any information in the possession of the department respecting the amount of mail matter carried or "thrown" upon route No. 16,635, is contradicted by the records of the department, from which the within copies of letters addressed to you from this office, under date of the 16th and 18th instant, are transcribed, so that no such alleged neglect of the Postmaster General can, with truth, be pleaded in justification of any failure or refusal on your part to carry the mails on that route in strict accordance with the terms and stipulations of your contract from 1st Obtober proximo.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CARLTON SPAIDS, Esq.,
Care S. P. Brown & Son, Cor. 15th street and
New York avenue, Washington D. C.

No. 39.

[Telegram.—Received September 30, 1868.]

POST OFFICE, SALT LAKE CITY,
September 30, 1868.

HON. GEO. W. McLELLAN,
Second Assistant Postmaster General:

I hear of no preparation by the contractor to carry mail by overland route. As new contract commences to-morrow, please instruct me in the premises.

A. W. STREET, *Postmaster.*

No. 40.

[Telegram.—Received October 1, 1868]

SALT LAKE, UTAH, *October* 1, 1868.

HON. GEO. W. McLELLAN,
Second Assistant Postmaster General:

Contractor has failed to appear in person or by agent for the mail. Reasons not known.

A. W. STREET, *Postmaster.*

No. 41.

[Telegram.—Received October 1, 1868.]

SALT LAKE, UTAH, *October* 1, 1868.

GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Contractors have failed to appear. Shall I employ temporary service?

JOHN W. CLAMPITT,
Special Agent Post Office Department.

No. 42.

SALT LAKE CITY, *October* 1, 1868.

The contractor on route 16,635 having failed to appear, in person or by his agent, for the mail, and James J. Tracy, general superintendent of Wells, Fargo & Co., having notified me that they have been instructed by the department, through Mr. Barry, vice-president of the company, to continue carrying the mails as usual, and as the exigencies of the service demand the immediate transportation of the mails now accumulated at the Salt Lake office, therefore you will deliver the mails going east and west on this route to Wells, Fargo & Co., to be transported as usual.

JOHN W. CLAMPITT,
Special Agent Post Office Department.

A. W. STREET, Esq.,
Postmaster Salt Lake City.

No. 43.

[Telegram.]

WASHINGTON, *October* 2, 1868.

CHARLES MCLAUGHLIN, *San Francisco, California:*

Will you carry the overland mail at your bid, and how soon will you commence the service? Answer.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 44.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, October 5, 1868.

SIR: On the 2d instant I telegraphed you as follows, viz: "Will you carry the overland mail at your bid, and how soon will you commence the service? Answer."

The bid referred to is your proposal, under the advertisement of March

9, 1868, to carry the mail on route No. 16,635, between Cheyenne, Dakota, or that point on the Union Pacific railroad to which the mails are being carried when this service goes into operation, and Virginia City, Nevada, at $350,000 per annum.

I hereby repeat the inquiry contained in the despatch of the 2d instant, and request an answer by mail.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

CHARLES McLAUGHLIN, Esq.,
San Francisco, California.

No. 45.

NEW YORK, *October* 5, 1868.

DEAR SIR: By a telegram in yesterday's papers we notice that the overland mail contractor having failed to carry the mails between the terminus of the Union and Pacific railroads since the 1st of October, the probability is that all our mail matter sent by us since the 1st from here has accumulated at the end of the Union Pacific railroad. As we are supplying many subscribers and newspaper agents throughout the Territories and California, we are in a quandary whether to send our papers and magazines as usual, as in the event of their not being forwarded through would entail a loss of our entire business, as well as a serious loss of thousands of dollars to our agents. Under these circumstances we shall withhold all mail matter from the post office until we can learn from you what arrangements, if any, will be made for the forwarding of the mails already sent by us since the 1st of October, and whether it will be prudent for us to continue sending our agents their papers and magazines by overland mail as usual.

Your immediate answer to the above is requested by yours, respectfully,

CALIFORNIA AND PACIFIC NEWS CO.,
Per JOHN H. STILL, *Superintendent.*

A. W. RANDALL, Esq.,
Postmaster General.

No. 46.

[Telegram.—Received October 7, 1868.]

SAN FRANCISCO, CALIFORNIA, *October* 6, 1868.

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Will carry overland mail at my bid direct between the ends of the two railroads, commencing in 30 days after you notify me by telegraph of your acceptance, providing that you increase the service by sending the paper mail overland. Answer immediately.

CHAS. McLAUGHLIN.

[Telegram.]

WASHINGTON, *October* 7, 1868.

CHARLES MCLAUGHLIN, *San Francisco, California:*

Your telegram not understood. Will you carry the mails on route 16,635 at your bid, without any proviso? Answer immediately.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 47.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, October 7, 1868.

SIR: Referring to your favor of the 5th instant, addressed to the Postmaster General, I have to state that the overland mails for and from the Territories and the Pacific coast are being carried as usual between the termini of the Union and Central Pacific railroads since the 1st instant.

Respectfully,

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

JOHN H. STILL, Esq.,
Gen'l Agt. and Sup't Cal. and Pacific News Co.,
No. 81 *Nassau street, (P. O. Box* 6,691,*) New York, N. Y.*

No. 48.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., October 8, 1868.

SIR: Please report to this office, by return mail, an estimate of the average weight per day of the mails despatched from your office, destined for transmission on the overland route to the Territories and the Pacific coast, since the 1st of October, instant, with a statement of the number of bags sent each day.

You will also keep an account of the weight and number of bags of such mails sent from your office daily, for one week from the receipt of this, and report the result promptly to this office.

Respectfully,

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

POSTMASTER, *New York, N. Y.*

No. 49.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., October 8, 1868.

SIR: A telegram of this date attributes to you a statement that the mails sent *daily* from your office for the overland route to the Territories and the Pacific coast "will soon reach 6,000 pounds," and that you are now sending 4,500.

Inform me by telegraph whether this statement is correct.

Respectfully,

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

POSTMASTER, *New York, N. Y.*

No. 50.

[Telegram.—Dated New York, October 8, 1868.—Received at post office October 8.]

TO GEO. K. OTIS, *care Postmaster General:*

Postmaster of this city says the mails from here will soon reach 6,000 pounds; they are now sending 4,500. Mail west from Omaha on the 6th weighed six tons; if we get a contract, must limit to three tons daily.

A. H. BARNEY.

No. 51.

[Telegram.]

WASHINGTON, *October* 8, 1868.

POSTMASTER *at Omaha, Nebraska, or* D. B. BALL:

Report by telegraph about the weight of mails received and sent overland since October 1.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

[Telegram.]

WASHINGTON, *October* 9, 1868.

CHARLES McLAUGHLIN, *San Francisco, California:*

Your telegram not understood. Will you carry the mails on route 16,635 at your bid, without any proviso? Answer immediately.

G. W. McLELLAN,
Second Assistant Postmaster General.

No. 52.

[Telegram.—Dated New York, October 9, 1868.—Received at post office October 9, 1868.]

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Daily mails overland now exceed 4,000 pounds. They will increase, of course, but cannot say to what extent.

JOHN W. NORTON,
Assistant Postmaster.

No. 53.

[Telegram.—Dated Omaha, Nebraska, October 8, 1868.—Received at post office October 9, 1868.]

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Average amount of mail west since new order, 2,800 pounds daily. Going east, 600 pounds—no increase going east.

GEORGE R. SMITH, *Postmaster.*

No. 54.

POST OFFICE, *New York*, *October* 9, 1868.

SIR: In answer to your letter of the 8th instant, requesting an estimate of the average weight of the mails despatched per day from this office, via overland route, for the Territories and Pacific coast, since the 1st instant, with number of bags sent each day, I have to inform you that since and including the 1st instant, we have despatched from this office, via overland route, 102 lock pouches, estimated weight 55 pounds each, 5,775 pounds; 304 sacks of printed matter, estimated weight 112 pounds each, 34,448 pounds; total, 39,823 pounds, making an average of 4,424$\frac{2}{3}$ pounds per day.

The above record of pouches and sacks are actual, the weights of the same are estimates, and I believe are as near correct as can be made under the circumstances.

Your instructions to keep an account of the weight and number of bags of such mails sent from this office daily, for one week, and to report the result to the department, will be promptly complied with.

I have the honor to be, very respectfully, your obedient servant,

JAMES KELLEY, *Postmaster.*

Hon. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 55.

[Telegram.—Received October 9, 1868.]

SAN FRANCISCO, *October* 9, 1868.

GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

As railroad is rapidly progressing, you certainly don't want mails carried around by Austin and Ruby. The direct route is via Humboldt. Wells and north end of Salt Lake road is good, and distance greatly shortened. Will service be increased by paper mails? If so, would require more outlay. Answer, and I can better decide.

CHARLES McLAUGHLIN.

No. 56.

[Telegram.]

WASHINGTON, *October* 9, 1868.

J. W. CLAMPITT,
Special Agent Post Office Department, Salt Lake, Utah:

Can you make arrangements to carry the letter mail between the termini of the Union and Central railroads, and at what cost? Answer immediately.

G. W. McLELLAN,
Second Assistant Postmaster General.

No. 57.

WASHINGTON, *October* 9, 1868.

SIR: Agreeably to the request of the Post Office Department, our company (Wells, Fargo & Co.) have transported the United States mails on the overland route between the two ends of the Pacific railroads from October 1st to present date. In justice to ourselves, we beg leave to say that we cannot continue this temporary service longer than the 10th instant, of which you will please take notice.

Yours, respectfully,

GEORGE K. OTIS,
Secretary of Wells, Fargo & Company.

Hon. A. W. RANDALL,
Postmaster General, Washington, D. C.

No. 58.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, D. C., October 9, 1868.

SIR: The note addressed to you by George K. Otis, secretary of Wells, Fargo & Co., of this date and referred to this office, states: "Agreeably to the request of the Post Office Department, our company (Wells, Fargo & Co.) has transported the United States mails on the overland route, between the two ends of the Pacific railroads, from October 1st to the present date. In justice to ourselves we beg leave to say that we cannot continue this temporary service longer than the 10th instant, of which you will please take notice."

In reply, I have to say that the department has made no request to Wells, Fargo & Co. to transport mails on the overland route between the two ends of the Pacific railroads, and it is presumed, if the service is still continued on that route, it is under the terms and conditions of the contracts made with Ben Holladay and W. B Dinsmore, August 19, 1864, under the numbers 14,260 and 44,626. If it is understood, by the notice of Mr. Otis, that Wells, Fargo & Co. have conveyed the overland mail since October 1st, and now decline to perform the same after to-morrow, the 10th instant, I respectfully recommend that all printed matter for any points off the railroad may be sent by steamers from New York, and that an arrangement be made to forward the letter and other mail matter to be delivered between the termini of the railroad, on the best terms practicable.

The action of Wells, Fargo & Co., representatives of Holladay & Dinsmore, in proposing so summary a discontinuance of the service, was wholly unexpected.

Very respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

Hon. A. W. RANDALL,
Postmaster General, Washington, D. C.

NOTE.—On consulting with the Postmaster General, it was found that he had requested Wells, Fargo & Co. to continue to carry the mails for a few days, until some other arrangement could be made.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 59.

POST OFFICE, SALT LAKE CITY, U. T.,
October 10, 1868.

SIR: Herewith I hand you a report of the weight of the mails carried on the overland route, east and west of Salt Lake City, for the month of September.

I have, up to this time, been able to borrow a pair of scales for weighing it; if it is the intention of the department to continue weighing the mail, it will be necessary to purchase a pair of scales for that purpose.

Respectfully,

A. W. STREET, *Postmaster*.

Hon. GEORGE W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 60.

Weight of mails received and sent from Salt Lake City, on overland route east and west.

Date.	Carried west.		Carried east.		Remarks.
	Received from west.	Sent to west.	Received from east.	Sent to east.	
1868.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	
September 1	465	238	538	422	
2	282	185	221	361	
3	28	1,464	1,282	329	
4	344	270	553	175	
5	386	190	235	459	
6	....	407	1,233	442	
7	264	480	521	364	
8	301	87	486	366	
9	206	590	910	367	
10	292 197	82	595	277	
11	....	228	621	205	
12	400	529	230	434	
13	364	153	180	482	
14	279	79	1,309	354	
15	456	762	1,295	476	
16	372	300	528	315	
17	340	158	....	462	
18	21	613	1,117	312	
19	377	155	1,006 45	416	
20	385	47	....	411	
21	362	696	1,564	377	
22	314	371	672	367	
23	230	519	895	370	
24	465 22	271	603 893	198	
25	....	409	218	415	
26	455	133	758	483	
27	427	672	767	468	
28	291	305	615	350	
29	297	332	604	455	
30	127	322	810	404	
	8,749	11,047	21,304	11,316	

A. W. STREET, *Postmaster*.

No. 61.

SALT LAKE CITY, UTAH TERRITORY,
October 10, 1868.

SIR: Your telegram, dated October 9, 1868, was received on same day, requesting me to make arrangements to carry the letter mail from the termini of the Union Pacific and Central Pacific railroads, to which I transmitted the reply that I could find no one prepared to contract for the same.

I desire to state further that on receipt of the above telegram I immediately communicated with various parties whom I considered responsible men and capable of performing the contract, and they each and all refuse to undertake the performance of a contract of that nature, alleging that it was impossible, at a period so late in the season, to stock the road and obtain grain and hay in quantities sufficient to enable them to preserve their animals while performing the contract. After the refusal of these parties, I sought the aid of Captain Hooper, delegate, who visited Brigham Young with a view of ascertaining whether he would undertake the contract. Brigham also refused to have anything to do with it, alleging that he was not prepared, &c. I therefore transmitted the telegram above mentioned. There are several responsible parties who would contract to carry the mails from the end of the Union Pacific railroad to Salt Lake City, but no further.

Respectfully yours,

JNO. W. CLAMPITT,
Special Agent Post Office Department.

Hon. GEORGE W. MCLELLAN,
Second Assistant Postmaster General.

No. 62.

[Telegram.]

WASHINGTON, *October* 10, 1868.

Hon. BRIGHAM YOUNG,
President, &c., Salt Lake City, Utah:

No arrangements have been made for the conveyance of the mails between the termini of the overland railroads. Can you provide for the service, and at what cost? Please answer by telegraph.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

[Telegram.]

WASHINGTON, *October* 10, 1868.

Hon. JUSTIN S. MORRILL,
Strafford, Vermont:

I have serious trouble about overland mails. It is important for the interests of the department that I see you immediately. Can you possibly be here by Tuesday morning? Answer.

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 63.

[Telegram.—Received October 10, 1868.]

SALT LAKE CITY, UTAH,
October 9, 1868.

Hon. GEO. W. MCLELLAN,
Second Assistant Postmaster General:

Can find no one prepared to carry the mails as designated except Wells, Fargo & Co.

The general agent says contract must be made at New York, as he is not authorized.

JOHN W. CLAMPITT,
Special Agent Post Office Department.

No. 63½.

[Telegram.—Received October 11, 1868.]

SALT LAKE, UTAH, *October* 10, 1868.

GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Your telegram received. Consideration will be given, and reply telegraphed as soon as possible.

BRIGHAM YOUNG.

No. 64.

[Telegram.—Received October 12, 1868.]

SALT LAKE, UTAH, *October* 11, 1868.

G. W. MCLELLAN, *Second Assistant Postmaster General:*

To contract now for carrying the United States mails between the termini of the overland railroad involves, in a short time, a complete change of route west of this city to a line a hundred miles north of the present line of staging, where the roads would have to be partially made, and stations would have to be built. It encounters all the bad weather of the coming winter and spring in the mountains, and will be abruptly terminated by the junction of the railroad on arrival of that kind of weather when the mail can be easily transported. Grain is now three (3) prices, consequent on the destruction by grasshoppers, and to put mail service on that route for the short period of eight (8) months, requires proportionately a much higher rate of payment than would be required were the contract to extend for several years. I propose to carry fifteen hundred (1,500) pounds of mails daily, for a period of eight (8) months, for five hundred and fifty-nine thousand three hundred and seventy-five ($559,375) dollars, and ten cents (10 cents) per pound per hundred (100) miles for all additional mails. At the expiration of eight (8) months, if the railroads do not come together, I will continue the service for the same amount, reduced proportionately as the distance may be less than four hundred (400) miles. Payment to be made to me monthly.

BRIGHAM YOUNG.

No. 65.

[Telegram.—Received October 12, 1868.]

SALT LAKE, UTAH, *October* 11, 1868.

Hon. A. W. RANDALL, *Postmaster General:*

Mr. T. C. Durant, vice-president Union Pacific Railroad Company, has made temporary arrangements, if your agent wishes it, for transportation of mails from end of Union Pacific railroad to Central Pacific, and will contract for the same one year for fifteen hundred thousand ($1,500,000) dollars. Answer.

No. 66.

[Telegram.—Received October 12, 1868.]

OMAHA, NEBRASKA, *October* 12, 1868.

General GEO. W. MCLELLAN,
Second Assistant Postmaster General:

Wells, Fargo & Co. refuse all overland mails; have caused accumulated mails to be stored at Cheyenne and Green river. Will store here also. Have requested Chicago to hold paper mail for safe storage until advised. Letter mails will be held here. I await instructions.

D. B. BALL,
Special Agent.

No. 67.

[Telegram.—Received October 13, 1868.]

OMAHA, NEBRASKA, *October* 12, 1868.

GEO. W. MCLELLAN:

I can have all overland mail through to Salt Lake in seven days from Omaha via Union Pacific railroad and mule teams. If stage company from Salt Lake to Central Pacific refuse to receive mail, can hire teams and put the mail through from New York to Sacramento in twenty-one (21) days.

D. B. BALL,
Special Agent.

No. 68.

[Telegram.—Received October 13, 1868.]

SALT LAKE, UTAH, *October* 12, 1868.

GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Wells, Fargo & Co. notified me tenth (10th) instant that they would not carry the overland mails after that date. No mails have left this office since on overland route.

A. W. STREET, *Postmaster.*

No. 69.

[Telegram.—Received October 12, 1868.]

SAN FRANCISCO, CALIFORNIA,
October 12, 1868.

Hon. A. W. RANDALL,
Postmaster General:

Wells, Fargo & Co., late contractors, inform me no mails are being transported by overland route. Shall I continue to forward as usual?

HOLLAND SMITH, *Postmaster.*

No. 70.

OMAHA, N. T., *October* 13, 1868.

SIR: I have the honor to transmit the enclosed despatches from Green river and Point of Rocks.

Green River is 45 miles by rail west of Point of Rocks, and 189 miles east of Salt Lake by stage road.

A portion of these despatches were transmitted to you by telegraph last night.

I have instructed Mr. Curtis (sub-route agent on the west end) to continue to store what mail arrives there, and, if need be, to employ a watchman to guard it, that being in a very lawless part of the country.

The mail referred to in the last part of despatch marked No. 1 was received at Point of Rocks by Wells, Fargo & Co., and forwarded by them on said flat cars to Green river and there abandoned.

As that comprises the first heavy paper mail, and probably the accumulation of several days at New York, there are several thousand pounds of it.

Mr. Curtis is instructed to provide for the safety of that also. Despatch No. 3 (Alf Eoff) is from agent of Wells, Fargo & Co., end of railroad.

The railroad is being extended every day, and I will be able to send mail to Bryan City in three or four days, which is but 175 miles to Salt Lake.

I believe the plan suggested to the department, last night, of carrying by mule teams every way practicable, and I understand that a separate stage company run from Salt Lake to the end of the Central Pacific railroad. I think, further, that other stage companies could be induced to stock the road from end of track to Salt Lake with 15 days notice, and, if need be, the paper mail could be sent by mule teams until the roads are connected in the spring. There is no doubt but the two roads will connect by July next.

Whether this matter is compromised or otherwise, I would recommend placing service at once on the Central Pacific road as far as possible.

This can be done to within about 350 miles from Salt Lake.

Most respectfully, yours,

D. B. BALL,
Special Agent Post Office Department.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 71.

[Telegram No. 1.—Dated Green River, October 11, 1868. Received at Omaha, October 11, 9.30 p. m.]

D. B. BALL, *Special Mail Agent:*

No house at Point of Rocks to store mail; good house here; mine all stored; the mail Wells, Fargo & Co. receipted to me since the seventh (7) is on flat cars here, no one in charge; have received no orders from you. Send answer to Point of Rocks.

B. W. CURTIS.

No. 72.

[Telegram No. 2.—Dated Green River, October 11, 1868. Received at Omaha, October 11, 7 p. m.]

D. B. BALL, *Special Mail Agent:*

What is to be done with the through mails accumulating at this place? I cannot attend to it. Have no store room.

J. T. REYNOLDS, *P. M.*

No. 73.

[Telegram No. 3.—Dated Point of Rocks, October 12 1868. Received at Omaha, October 12, 1868.]

D. B. BALL:

My orders are to receive no more mail after the 10th of this month, is all I know about it. Ask our superintendent at Salt Lake.

ALF. EOFF, *Agent.*

No. 74.

[Telegram.]

WASHINGTON, *October* 13, 1868.

POSTMASTER, *San Francisco, California:*

Forward overland mail as usual.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 75.

[Telegram.]

WASHINGTON, *October* 13, 1868.

POSTMASTER, *Salt Lake City, Utah:*

Forward overland mail as usual.

GEO. W. McLELLAN.

No. 77.

[Telegram.]

WASHINGTON, *October* 13, 1868.

POSTMASTER, *Chicago, Illinois:*

Forward the overland mail as usual.

GEO. W. McLELLAN.

No. 78.

[Telegram.]

WASHINGTON, *October* 13, 1868.

D. B. BALL,
Special Agent Post Office Department, Omaha, Nebraska:

At what cost can you have overland mails carried by mule teams between railroads? Agent Hobbs is now at Omaha. Consult with him. Chicago must forward mails as usual.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 79.

[Telegram.—Received October 13, 1868.]

SACRAMENTO, *October* 13, 1868.

Hon. GEO. McLELLAN, *Second Ass't Postmaster General:*

The superintendent of the Central Pacific railroad notifies that Wells, Fargo & Co. refuse to take from Wadsworth the Austin and overland mail. They also refuse to deliver to the railroad company the mail that arrived last night. Shall I send by steamer, or retain mail until arrangements are made?

GEO. ROWLAND, *Postmaster.*

No. 80.

[Telegram.—Received October 13, 1868.]

SALT LAKE, UTAH, *October* 13, 1868.

Hon. GEO. W. McLELLAN, *Second Ass't Postmaster General:*

Wells, Fargo & Co. state they are ordered to carry mails. Is it all right? Postmaster will not deliver without an order.

JOHN W. CLAMPITT, *Special Agent.*

No. 81.

[Telegram.]

WASHINGTON, *October* 14, 1868.

JOHN W. CLAMPITT,
Special Agent Post Office Department, Salt Lake City, Utah:

Postmaster may deliver mails as usual.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 82.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, October 14, 1868.

SIR: In your favor of the 9th instant you estimate the average weight of mails despatched from your office via the overland route for the Territories and the Pacific coast, since the 1st instant, at 4,424⅔ pounds per day.

Under date of the 8th, the postmaster at Omaha reports the average weight of such mails sent west from his office at 2,800 pounds per day.

In view of the discrepancy, I have to inquire for what particular points the mails comprised in your estimate were destined.

In your report of the weights you are now taking daily, under instructions of the 8th, specify the particular destinations of the mails.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER, *New York, N. Y.*

No. 83.

[Telegram.—Received October 14, 1868.]

SALT LAKE, UTAH, *October* 13, 1868

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Have you received my proposals for carrying the mails between the termini of the railroad? Please answer by telegraph immediately.

BRIGHAM YOUNG.

No. 84.

[Telegram.]

WASHINGTON, *October* 14, 1868.

Hon. BRIGHAM YOUNG, *Salt Lake City, Utah:*

Is your proposal to carry 1,500 pounds per day intended to include the mails carried both ways?

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 85.

[Telegram.—Received October 14, 1868.]

CHICAGO, ILLINOIS, *October* 14, 1868.

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

Shall I return all paper mail received at this office for overland route to New York?

F. T. SHERMAN, *Postmaster.*

No. 86.

[Telegram.]

WASHINGTON, *October* 14, 1868.

POSTMASTER, *Chicago, Illinois:*

Send all mails for overland route via Omaha.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 87.

[Telegram.]

WASHINGTON, *October* 14, 1868.

CHAS. McLAUGHLIN, *San Francisco, California:*

Your telegram of the 9th is not definite and can't be understood.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 88.

[Telegram.—Received October 14, 1868.]

SALT LAKE, UTAH, *October* 14, 1868.

GEO. W. McLELLAN, *Second Assistant Postmaster General:*

It is intended to carry the 1,500 pounds both ways, between the termini every way.

BRIGHAM YOUNG.

No. 89.

[Telegram.]

WASHINGTON, *October* 15, 1868.

Hon. BRIGHAM YOUNG, *Salt Lake City, Utah:*

Supposing 2,800 pounds per day carried west, and 600 east, how many pounds would have to be paid for as additional mail?

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 90.

[Telegram.—Received 15th October, 1868.]

SALT LAKE, UTAH, *October* 15, 1868.

Hon. GEO. W. McLELLAN, *Second Assistant Postmaster General:*

On such a circumstance as you name, I will carry twenty hundred (2,000) pounds west at contract price, the eight hundred (800) pounds to be paid for at the rate for extra weight.

BRIGHAM YOUNG.

No. 91.

[Telegram.—Received 15th October, 1868.]

SAN FRANCISCO, CALIFORNIA, *October* 14, 1868.

Hon. GEO. W. MCLELLAN, *Second Assistant Postmaster General:*

Charles E. McLean, agent for Wells, Fargo & Co., late contractors, informs me no mails are being transported via overland route. Shall I continue to forward as usual?

HOWARD SMITH.

No. 92.

[Telegram.]

WASHINGTON, *October* 15, 1868.

POSTMASTER, *San Francisco, California:*

Continue to forward overland mails as usual.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 93.

[Telegram.]

WASHINGTON, *October* 15, 1868.

POSTMASTER, *Sacramento, California:*

Forward overland mails as usual.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 94.

[Telegram.—Received 15th October, 1868.]

STRAFFORD, VERMONT, *October* 14, 1868.

Hon. A. W. RANDALL, *Postmaster General:*

I cannot go to Washington at present.

JUSTIN S. MORRILL.

No. 95.

[Telegram.—Received 15th October, 1868.]

SAN FRANCISCO, *October* 15, 1868.

G. W. MCLELLAN, *Second Assistant Postmaster General:*

Will you give me the carrying of mails on route sixteen thousand six hundred and thirty-five (16,635) at my bid? Answer.

CHARLES McLAUGHLIN.

No. 96.

[Telegram.]

WASHINGTON, *October* 16, 1868.

CHARLES McLAUGHLIN, *San Francisco, California:*

Your bid is accepted, on condition that you commence the service immediately. Answer.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 97.

POST OFFICE, NEW YORK,
October 16, 1868.

SIR: In answer to your letter of the 14th instant, requesting to be informed, in view of the discrepancy which exists between the estimate furnished by this office on the 9th instant, of the average weight of mails despatched from this office, via the overland route, to the Territories and Pacific coast, and the estimate furnished by the postmaster at Omaha, for what particular points the mail comprised in our estimate were destined, I would respectfully state that the estimate of 2,800 pounds of mail per diem, by the postmaster at Omaha, approximates very much to the correctness of the estimated weight of 4,424⅔ pounds per day sent from this office, from the fact that the weight given by the postmaster at Omaha was furnished on the 8th instant, and could only include mail matter sent from this office up to or about the 4th of October, as prior to the 1st the letter mails only were sent via overland route from here, and as the bulk of the mail was anticipated, sent in and forwarded by steamer of the 1st, the amount sent the 2d and 3d instant was comparatively light.

It is very difficult to obtain a fair average of the mails, unless we take the weight for the entire month, as some weeks are much heavier than others; for instance, last week, on Wednesday and Thursday, we received the entire California edition of Harper's Monthly, some 50 bags, weighing over 6,000 pounds. This was included in our estimate, consequently one week may be heavy and the next comparatively light.

We receive the principal portion of our weekly publications on Wednesday and Thursday. These days are always heavy, while on Mondays and Saturdays we have very little matter.

I would state that the estimate of the weights of mail forwarded on the 9th instant comprised only the mails for San Francisco and Sacramento, California; Portland, Oregon; Salt Lake City, and Denver City, Colorado.

I have the honor to be, very respectfully, your obedient servant,

JOHN W. NORTON,
Assistant Postmaster.

HON. GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 98.

POST OFFICE, NEW YORK,
October 17, 1868.

SIR: In accordance with your request contained in your letter of the 8th instant, to keep an account of the weight and number of bags of mails destined for transmission via the overland route to the Territories and Pacific coast, daily, for one week, I have the honor to inform you that the weight of the mail, despatched as above, on the respective dates, was as follows:

October	10	55	sacks	4,751	pounds.	10	pouches,	274	pounds.
"	12	51	"	3,829	"	12	"	361	"
"	13	26	"	1,442	"	8	"	226	"
"	14	23	"	1,568	"	8	"	248	"
"	15	26	"	1,893	"	8	"	232	"
"	16	44*	"	3,888	"	3	cases,	115	"
"	16	33†	"	3,247	"	4	pouches,	104	"
		258		20,618		53		1,560	

Making an aggregate of 22,178 pounds, or 3,679⅔ pounds per day.

The above weights constituted only those mails sent to San Francisco and Sacramento, California; Portland, Oregon; Salt Lake City, Utah; and Denver City, Colorado.

The past week has been light, from the fact that we have received none of the monthly magazine editions.

I have the honor to be, very respectfully,

JOHN W. NORTON,
Assistant Postmaster.

HON. GEORGE W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 99.

LARAMIE, *October* 18, 1868.

DEAR SIR: I have failed to answer your despatch in regard to the expense of sending mail by mule teams on account of not receiving the terms from parties as I expected.

I am now on my way to the end of the road, and if I can learn anything definite on the matter, will telegraph you from there. I understand that the mail is going through west, but none is received from Salt Lake here yet since the stoppage.

Most respectfully, &c.,

D. B. BALL, *Special Agent.*

HON. GEORGE W. MCLELLAN,
Second Assistant Postmaster General.

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* Sent by steamer by special orders.

† Overland.

No. 100.

[Telegram.—Received October 18, 1868.]

SAN JOSÉ, CALIFORNIA, *October* 17, 1868.

Hon. GEORGE W. MCLELLAN,
Second Assistant Postmaster General:

Am ready to commence the service in thirty (30) days from notice. Shall I have the contract?

CHARLES McLAUGHLIN.

No. 101.

POST OFEICE DEPARTMENT, CONTRACT OFFICE,
Washington, October 19, 1868.

SIR: In view of the remark, in your favor of the 16th instant, that "it is very difficult to obtain a fair average of the mails" sent from your office for the Territories and the Pacific coast by the overland route, "unless we take the weight for the entire month," it is suggested that, instead of keeping an account of the weight and number of bags of such mails daily for one week, as requested by letter from this office of the 8th instant, you continue the weighing for a month, and report the result, specifying the particular destination of the mails, and the amount sent to each point of destination.

What proportion of the 4,424⅔ pounds per day estimated in your favor of the 9th to have been sent from the 1st to the 9th, inclusive, was destined for Denver?

Respectfully,

E. L. CHILDS,
For Second Assistant Postmaster General.

POSTMASTER, *New York, N. Y.*

No. 102.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, October 20, 1868.

SIR: I have to acknowledge the receipt of your favor of the 10th instant, enclosing statement of the weight of mails received and sent from Salt Lake City on the overland route, for the month of September, ultimo.

It is the intention of the department that you shall continue weighing the mails on that route, and, if necessary, you will purchase a pair of scales for that purpose, and refer to this letter as your authority for so doing.

Respectfully,

E. L. CHILDS,
For Second Assistant Postmaster General.

POSTMASTER, *Salt Lake City, Utah Territory.*

No. 103.

WASHINGTON, *October* 1, 1868.

SIR: We beg leave to submit to you the following proposition for carrying the United States mails overland between the termini of the Union Pacific railroad and the Central Pacific railroad. We will carry the mails daily for the term of one year from date, or until the two railroads meet, at the rate of $1,750,000 per annum, subject to deduction *pro rata* for every section of 50 miles of railroad completed and reported to the Post Office Department ready to carry the mails.

Yours, respectfully,

WELLS, FARGO & CO.,
Per GEORGE K. OTIS,
Secretary and Agent.

Hon. A. W. RANDALL,
Postmaster General, Washington, D. C.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
October 21, 1868.

Accept this proposition and recognize service under it from the commencement of present quarter, October 1, 1868.

ALEX. W. RANDALL,
Postmaster General.

[Postmaster General's Official Journal, October 21, 1868.]

NOTE.—The department accepted this proposal from October 1 upon the representation that Wells, Fargo & Co. had been performing the service from that time under an understanding with the Postmaster General.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 104.

NEW YORK, *October* 23, 1868.

DEAR SIR: Last week a telegraph despatch from your department ordered the mails for California to be sent per steamer on the 16th. As we had already sent a very large newspaper and periodical mail overland we concluded it was best to hold back our mail matter, which is very bulky, and send by steamer to-morrow morning. We were further advised to do so by despatches from Washington, saying that arrangements had been made by the Post Office Department to forward by steamers also. As we now have large accumulated mail on hand to send by steamer, and it would only clog the overland mail if sent that way, we beg that, if it is agreeable and possible, instructions may be given immediately by telegraph, if such instructions have not already been given, to forward all the bulky mail matter deposited in the post office here steamer morning, per steamer and not per overland mail.

On your prompt decision rests the loss to us, or the saving, of more than $2,000.

With great respect, we remain, yours, &c.,

CALIFORNIA AND PACIFIC NEWS CO.,
Per JOHN H. STILL, *Superintendent.*

Hon. A. W. RANDALL.

No. 105.

[Telegram.]

OCTOBER 24, 1868.

POSTMASTER, *New York, N. Y.*:

Forward by steamer all mail matter for the Pacific coast which the senders may desire to forward by that route.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 106.

OCTOBER 24, 1868.

Postmaster New York is telegraphed to forward by steamer all mail matter for Pacific coast which senders may desire to forward by that route.

GEO. W. McLELLAN,
Second Assistant Postmaster General.

JOHN H. STILL, *Superintendent California and*
Pacific News Company, New York, N. Y.

No. 107.

OMAHA, NEBRASKA,
October 27, 1868.

SIR: The post office at Gilmer, Carter county, Wyoming, is directly on the mail route No. 16,635, overland. I have requested Mr. Gilmer, division agent of Wells, Fargo & Co., to have the mail left at that office. Mr. Gilmer informed the assistant postmaster at Green river that he would not leave mail at that office until instructed to do so from Washington.

I request that his employers be directed at once to have the mail left there, as that office is now open and a large amount of mail accumulating for that place.

I suppose that there are now two or three thousand inhabitants within the delivery of that office, and the stages of Wells, Fargo & Co. run direct through the place.

Most respectfully, yours,

D. B. BALL,
Special Agent Post Office Department.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 108.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 4, 1868.

SIR: Please report immediately to this office the account kept by you, under instructions of the 19th ultimo, of the weight and number of bags of mail matter sent from your office by the overland route for the Territories and the Pacific coast, from the 17th to the 31st October, ultimo, inclusive, specifying the particular destination of the mails and the amount sent to each point of destination.

You are instructed, also, to keep and return to the department a similar account for the month of November, current.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER, *New York, N. Y.*

No. 109.

POST OFFICE, NEW YORK, *November* 6, 1868.

DEAR FRIEND: The postmaster received a letter under date of November 4, from you, asking for the weight of the overland mail according to instructions of October 19. This I am unable to give. You will doubtless remember that when you were here I called your attention to that letter requesting us to weigh the overland mail for 30 days, and you stated that the instructions were so given before you were aware of your visit to this city; and as the subject was undoubtedly settled while here, we need not carry out the instructions of said letter, and I so informed the postmaster.

I am now weighing said mail, and at the end of the month can give you the information desired.

I hope this explanation will be satisfactory, and that you will explain the same to the respective bureaus of your department.

Yours, respectfully,

S. H. KNAPP,
Superintendent of Mails.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 110.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 7, 1868.

SIR: The conversation referred to in your favor of yesterday as having occurred during my recent visit to New York, which I well recollect, will relieve you of blame for temporarily discontinuing the weighing of mails sent overland to the Territories and the Pacific coast.

A record of the number of bags sent within the period during which the weighing was discontinued, however, has doubtless been kept in the New York office, from which the postmaster may *estimate* the weight, and thus supply the gap in the report to be furnished under instructions of the 19th ultimo and 4th instant.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

S. H. KNAPP, Esq.,
Superintendent of Mails, New York, N. Y.

No. 111.

POST OFFICE, NEW YORK,
November 9, 1868.

SIR: In answer to your letter of the 5th instant, I beg to enclose estimated weight of overland mail sent from this office, from October 17th to 31st, which is as follows:

	Lock.	Sacks.	Pounds.
San Francisco	30	236	16,404
Sacramento	28	96	7,812
Portland, Oregon	..	35	2,310
Salt Lake City, Utah	28	72	6,000
Denver City, Colorado	28	16	2,652
			35,178

An account is being kept of the weight of these mails for this month, and at the end of it it will be forwarded to you.

I have the honor to be, very respectfully, your obedient servant,

JAMES KELLY, *Postmaster.*

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 112.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 9, 1868.

SIR: The arrangement lately made by the Department with Wells, Fargo & Co., for transporting the overland mail, makes it very important that this office should be promptly advised of every 25-mile extension of the Union Pacific and Central Pacific railroads. You are therefore instructed to notify the department, both by telegraph and letter, when the former road shall have been completed 25 miles west of Bryan, its present terminus, and you will make it your business to see that the mail service is extended as promptly as possible whenever at any time a section of 25 miles is completed. Let it be your *special* duty to see that this matter is carefully watched and reported on until the two roads are connected by rail.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

D. B. BALL, Esq.,
Special Agent P. O. Dep't, Omaha, Nebraska.

No. 113.

[Telegram.]

NOVEMBER 9, 1868.

D. B. BALL, *Special Agent P. O. Dep't, Omaha City, Nebraska:*

Is the Union Pacific railroad extended beyond Bryan? If so, how far? Do cars run on the part extended? If not, why? Answer.

G. W. McLELLAN,
Second Assistant Postmaster General.

No. 114.

[Telegram dated Omaha, Nebraska, November 17, 1868.—Received at Washington November 17, 1868.]

GEO. W. McLELLAN,
Second Assistant Postmaster General:

Track laid about 50 miles from Bryan; no passenger train. Mail goes by stage. Railroad company unwilling to take it yet.

D. B. BALL, *Special Agent.*

No. 115.

[Banking-house of Wilson & Morton, successors to J. A. Ware & Co. Collections made on any point in the United States.]

BRYAN, *November* 10, 1868.

DEAR SIR: Since the opening of this office the mail has arrived only *once* per the Union Pacific railroad on *schedule time.* Failure is owing to Indian difficulties, delay of trains, &c. Going west from here they have left semi-occasionally, owing to the fact that a great amount of mail accumulated at the end of track during the time that the Post Office Department had no contractors to carry the mail. This accumulation of some tons of mail matter was not cleared out until yesterday, and as a sample of how it was and is cared for during storms, I enclose a newspaper which I took from the route agent's sack sent from the Fort Bridger post office yesterday, and opened at this place this morning by myself. The sack contained eastern mail which had been sent past this place to Fort Bridger and Salt Lake, and lay out here in the storms of the 5th and 6th of the present month.

Mr. D. B. Ball, the special United States mail agent, has done and is doing all that he can for the safe and speedy carrying of the mails upon this route; but Wells, Fargo & Co. are a monopoly, and do just as they please, independent of any and every body.

The Union Pacific railroad have had one train (passenger) in on time since they came to this place.

Yours, truly,

D. K. ALLEN,
Postmaster, Bryan, Carter county, Wyoming Territory.

GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 116.

POST OFFICE, SALT LAKE CITY, U. T., *November* 11, 1868.

SIR: Herewith I hand you weights of mails conveyed east and west on the overland route for the month of October. I was compelled to purchase a platform scale, for which I paid $100, that being the lowest price at which I could get it.

Respectfully,

A. W. STREET,
Postmaster.

Hon. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 117.

Weight of mails received at and sent from Salt Lake City on overland route, east and west.

Date.	Carried west.		Carried east.		Remarks.
	Received from west.	Sent to west.	Received from east.	Sent to east.	
1868.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	
October 1	409	285	464	....	No mail sent east.
2	198	342	409	637	
3	347	170	1,280	423	
4	368	405	362	380	
5	642	120	852	356	
6	432	675	802	547	
7	297	138	60	482	
8	483	390	1,355	303	
9	17	345	461	233	
10	380	160	....	424	No mail received from east.
11	385	....	710	....	No mail sent east and west.
12	312	....	....	....	No mail sent east and west.
13	372	330	....	1,193	No mail from east.
14	306	525	....	310	No mail from east.
15	319	185	817	361	
16	....	421	....	140	No mail from east and west.
17	30	897	1,904	160	
18	643	534	6,706	155	
19	195	1,500	4.190	737	
20	525	2,300	595	174	
21	364	142	4,538	641	
22	276	1,691	1,236	578	
23	52	1,009	4,176	250	
24	510	616	3,487	156	
25	332	671	8,390	485	
26	330	405	3,541	393	
27	532	2,106	3,877	675	
28	361	1,040	1,560	795	
29	383	1,145	3,593	175	
30	70	24,598	1,465	574	
31	416	586	853	460	
	10,326	43,731	57,623	12,197	

No. 118.

OMAHA, NEBRASKA, *November* 16, 1868.

SIR: I was absent in the interior of the State, (Lincoln,) beyond the reach of telegraph, when your despatch and letter of the 9th instant reached Omaha. I arrived here yesterday, and immediately telegraphed the superintendent of the Union Pacific railroad, who is absent at Bryan, also a route agent on that end of road, but a bad storm is prevailing and no reply is received up to the time of writing, (8 a. m.) According to the best information I now have, the Union Pacific railroad is finished (track laid) about 60 miles beyond Bryan, but Bryan is the terminal town, and no passenger or public freight train is run beyond, and the road there is used only for the conveyance of material for the construction and use of the road.

The mails, passengers, express, &c., are conveyed by stage from Bryan. This is the way matters stood when I left here one week ago to-day, and I cannot learn of any change. I hope to give more definite information by telegraph before this reaches the department.

Respectfully, &c.

D. B. BALL,
Special Agent Post Office Department.

Hon. GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 119.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 18, 1868.

SIR: Find enclosed a copy of the agreement lately made by the department with Wells, Fargo & Co., for the transportation of the overland mail referred to in my letter to you of the 9th instant. From it you will see the importance of the prompt extension of the mail service on the Union Pacific and Central Pacific railroads as fast as they are extended, and keeping the department advised on the subject.

Respectfully, &c.,

GEO. W. MCLELLAN,
Second Assistant Postmaster General.

D. B. BALL, Esq.,
Special Agent Post Office Department, Omaha, Nebraska.

No. 120.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 17, 1868.

SIR: The arrangement lately made by the department with Wells, Fargo & Co., for transporting the overland mail, of which you will find a copy enclosed, makes it very important that this office should be promptly advised of every 25-mile extension of the Union Pacific and Central Pacific railroads. You are therefore instructed to notify the department, both by telegraph and letter, when the latter road shall have been completed 25 miles east of its present terminus, and you will make it your business to see that the mail service is extended as promptly as possible, whenever at any time a section of 25 miles is completed.

Let it be your special duty to see that this matter is carefully watched and reported on until the two railroads are connected by rail.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

BENJ. C. TRUMAN, Esq.,
Special Agent Post Office Department, San Francisco, California.

No. 121.

OMAHA, NEBRASKA, *November* 17, 1868.

SIR: I would again call your attention to the necessity of the mail being left at Gilmer, Carter county, Wyoming, on the overland line.

I learn from route agents on the west end that mail sent out by them (route agents) for said office is returned again to the route agents after being absent long enough to go to Salt Lake and return.

Wells, Fargo & Co. charge 12½ cents for all letters sent by them; hence the opposition to supply United States post offices.

Gilmer (Bear river) has some 2,000 inhabitants to be supplied with mail.

Most respectfully, yours,

D. B. BALL,
Special Agent Post Office Department.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General.

No. 122.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
November 18, 1868.

GENTLEMEN: The Postmaster General directs that the post office of Gilmer, Carter county, Wyoming Territory, shall be supplied with mails, next to Fort Bridger, on the overland route No. 16,635, from the terminus of the Union Pacific railroad to the terminus of the Central Pacific railroad.

You will please see that the carriers on that route visit said office with the mail regularly both going and returning.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

WELLS, FARGO & CO.,
New York, N. Y.

No. 123.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
November 18, 1868.

SIR: The Postmaster General directs that the post office of Gilmer, Carter county, Wyoming Territory, shall be supplied with mails next to Fort Bridger, on the overland route No. 16,635, from the terminus ot the Union Pacific railroad to the terminus of the Central Pacific railroad. You will forward mail accordingly.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER,
Salt Lake City, Utah Territory.

No. 124.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
November 18, 1868.

SIR: The Postmaster General directs that the post office of Gilmer, Carter county, Wyoming Territory, shall be supplied with mails next to Fort Bridger, on the overland route No. 16,635, from the terminus of the Union Pacific railroad to the terminus of the Central Pacific railroad. You will forward mails accordingly.

Respectfully,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

POSTMASTER,
Omaha, Nebraska.

No. 125.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
November 18, 1868.

SIR: The Postmaster General directs that the post office of Gilmer, Carter county, Wyoming Territory, shall be supplied with mails next to Fort Bridger, on the overland route No. 16,635, from the terminus of the Union Pacific railroad to the terminus of the Central Pacific railroad. You will forward mails accordingly.

Respectfully,

GEO. W. McLELLAN.
Second Assistant Postmaster General.

POSTMASTER,
Bryan, Carter County, Wyoming Territory.

No. 126.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 19, 1868.

SIR: The arrangement lately made by the department with Wells, Fargo & Co. for transporting the overland mail, makes it very important that, upon the completion of every additional 25 miles or more of the Union Pacific railroad, the department should be promptly notified of such extension, and a suitable person nominated for postmaster at the terminus, so that the mails may be immediately placed upon the railroad and the stage service curtailed. Your will therefore please request the proper officer of the railroad company to notify this office, and nominate a postmaster, *by telegraph*, upon every such extension, that the necessary orders may be issued by the department.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

Hon. E. H. Rollins,
Ebbitt House, Washington, D. C.

No. 127.

Post Office Department, Contract Office,
Washington, November 19, 1868.

Sir: The arrangement lately made by the department with Wells, Fargo & Co. for transporting the overland mail makes it very important that, upon the completion of every additional 25 miles or more of the Central Pacific railroad, the department should be promptly notified of such extension, and a suitable person nominated for postmaster at the terminus, so that the mails may be immediately placed upon the railroad and the stage service curtailed. You will therefore please request the proper officer of the railroad company to notify this office, and nominate a postmaster, *by telegraph*, upon every such extension, that the necessary orders may be issued by the department.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

C. P. Huntingdon, Esq.,
Vice-President Central Pacific Railroad Company,
54 *William Street, New York, N. Y.*

No. 128.

Post Office Department, Contract Office,
November 20, 1868.

Sir: Your report for the month of October entitles you to commendation, on account of the fullness and particularity of the information it contains respecting the manner in which the mail service has been performed on the overland mail route by Wells, Fargo & Co. since the 1st of October.

The department approves the arrangements you have made to have the route agents at the end of the Union Pacific railroad telegraph to the postmaster at Salt Lake City, free of cost, the number and kind of sacks delivered to Wells, Fargo & Co. for delivery at Salt Lake City.

With regard to the nomination of a suitable person to be appointed postmaster at the terminus of the Central Pacific railroad, a letter was addressed yesterday to Vice-President Huntingdon, whose answer it is desirable to receive before taking further action.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

JOHN W. CLAMPITT, Esq.,
Special Agent Post Office Department, Salt Lake City, Utah.

No. 129.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 20, 1868.

SIR: The arrangement lately made by the department with Wells, Fargo & Co., for transporting the overland mail, of which you will find a copy enclosed, makes it very important that this office should be promptly advised of every 25-mile extension of the Union Pacific and Central Pacific railroads. You are therefore instructed to notify the department, both by telegraph and letter, when the former road shall have been completed 25 miles west of Bryan, its present terminus, and you will make it your business to see that the mail service is extended as promptly as possible whenever, at any time, a section of 25 miles is completed.

Let it be your *special* duty to see that this matter is carefully watched and reported on until the two railroads are connected by rail.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

JOHN W. CLAMPITT, Esq.,
Special Agent Post Office Department, Salt Lake City, Utah.

No. 130.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 20, 1868.

GENTLEMEN: Your attention is called to complaints made by the postmaster at Salt Lake City, in a letter of the 11th instant, a copy of which you will find herewith, respecting the accumulation and detention of mails at his office, instead of being carried west on the overland route, No. 16,635, immediately on their arrival from the east, and also respecting the injury and loss of mails resulting from the pouches being placed under the coach and dragged through streams and mud-holes.

You will find enclosed, also, an extract from a report just received from Special Agent J. W. Clampitt, presenting similar complaints.

These detentions and injuries to the mails, you are aware, furnish just cause for fines and deductions from your contract pay, which the department will not forbear to impose.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

WELLS, FARGO & CO.,
New York, N. Y.

No. 131.

POST OFFICE SALT LAKE, UTAH TERRITORY,
November 11, 1868.

SIR: The paper mail for California, from the east, which had accumulated at this office from the 18th to the 30th ultimo, was on that day delivered to Wells, Fargo & Co., and by them forwarded to Austin, Nevada, by mule teams.

Since that time the mails from the east have been carried west as they arrived, until the 4th instant, from which date they have again accumulated, and are in weight about 10,000 pounds.

The mails so detained have been through paper mails for California.

The mails passing through this office from the east, since 1st October, have been very large, being through paper mail from the east to California, and the coaches have been, consequently, heavily loaded, and, in some cases, pouches have been put under the coach, subjecting the mails of necessity to loss, and also to injury from wet, in passing through streams and mud-holes.

On the 5th instant, a leather pouch, from the east, badly torn, was received, and since, letters corresponding in post-mark with those found in this sack were brought to this office. The mail of the 7th instant, from the east, was very wet; mail of the 9th instant, from the east, brought a brass-lock leather pouch torn half across, and the contents had been very wet and frozen.

Respectfully,

A. W. STREET,
Postmaster.

HON. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 132.

Extracts from the report of Special Agent J. W. Clampitt, dated Salt Lake City, Utah Territory, November 2, 1868.

With regard to the mail service in my district during the present month and more, it grieves me exceedingly to state that it has not been of that character to warrant the approbation of the department.

The mails arriving from the east at this office (some of them) have been in such a condition as to render them unfit for further transportation. Many of the canvas sacks arrive here with large holes worn in them, occasioned by the action of the coach, they having been placed under the coach and on the reach. Much mail matter has been lost in this way, and portions of that remaining arrive in a damaged condition, from the action of the water soaked into them when in this exposed condition they are transported over streams of water.

In addition to the canvas sacks, there arrive at the Salt Lake office brass-lock leather mail sacks ripped and torn, so that the mail is lost and strewn along the road. I have inspected several of them, one no later than this morning, and find them as reported by the postmaster at Salt Lake City. This destruction of mail sacks is occasioned by the sacks being placed under the coach and on the reach, where every motion of the coach serves to wear them through. A large amount of mail, official and otherwise, has been picked up and deposited by unknown parties in an outer drop-box of the Salt Lake office. Much of that lost will, doubtless, never be recovered. These sacks that have thus been destroyed are brass-lock through sacks, containing mail from the departments at Washington, from Chicago office, and from the eastern and western States, for this point and points west of Salt Lake distributing post office. I much fear that mail transmitted myself from the department has been lost, as very singularly I have not, within a week past, received a communication from the department on official business.

In addition to this state of mail arriving at the Salt Lake office, there have been a large number of the sacks lost on the road between this point and the end of the Union Pacific railroad. Parties travelling on the road have picked up these sacks and left them at the nearest post office. Officers of the United States army travelling over the road have picked up these sacks. Captain McCartney, stationed at Fort Bridger, while travelling to this point in his buggy, found three sacks lying on the road, having been lost from the coach. These sacks have been lost from the fact that they have been insecurely tied to the reach of the coach, and when they crossed a gulch were jolted on the ground. * *

I presume that much of the above difficulty has originated from the failure of the contractor, Spaids, to fulfil his contract, and the withdrawal, on the 1st of October, of stock on the road by Wells, Fargo & Co. There is, evidently, as per reports from postmaster at Salt Lake City, not sufficient stock on the road to convey the mails as required by former contract. The contractors, therefore, in order to get the mail from end of railroad on same coach with passengers and express, are compelled to place a portion of the same under the coach and on the reach and tongue. In this manner mails are lost from the coach, and sacks and pouches worn through and torn by action of coach over rough road.

No. 133.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 21, 1868.

GENTLEMEN: Referring to my letter of yesterday to you, respecting the detention and injury of mails on the overland route, I have to call your attention to an extract, herewith, from a letter of the 23d October, ultimo, addressed by Special Agent J. W. Clampitt to your general superintendent, James J. Tracy, complaining of the arrival at Salt Lake City of mails destined for China, and so tagged, in a condition that rendered their transportation unsafe. Also to a copy, enclosed, of a letter of the 17th instant from Special Agent D. B. Ball, reporting opposition on your part to the supply of United States post offices on your route because you "charge 12½ cents" for letters.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

WELLS, FARGO & CO.,
New York, N. Y.

No. 134.

Extract from a letter of the 23d October, 1868, addressed by Special Agent J. W. Clampitt to James J. Tracy, general superintendent, Wells, Fargo & Co.

I would direct earnestly your attention to the fact that sacks are arriving at this office in a condition that renders the transportation of the mail matter contained therein unsafe. There are now at the Salt Lake office mails destined for China, *and so tagged*, in this condition.

No. 135.

OMAHA, NEBRASKA, *November* 24, 1868.

SIR: Your letter of the 17th instant is received.

Mr. Snyder, superintendent of the Union Pacific railroad, has just returned from the west end of the road, and informs me that the company, though disposed to do all they can to accommodate the department, cannot at present take the mail west of Bryan, as the road there is not open, and is only used to carry material for the extension of the road.

I proposed that if he would take the mail we would use a box car and run on the construction train, but he says that they have not the cars to spare, or the power to draw them.

He informs me that an extension will be made as soon as they close for the winter. I think that the department may rely on the train moving up to Bear river, 83 miles, about the 1st of January, or some time during that month. I will give it close attention, and do what I can to get an early extension, and report to the department as soon as it can be made.

Most respectfully, &c.,

D. B. BALL,
Special Agent Post Office Department.

Hon. GEORGE W. MCLELLAN,
Second Assistant Postmaster General.

No. 136.

OMAHA, NEBRASKA, *November* 24, 1868.

SIR: Please find enclosed register of arrivals and departures of mails at the terminal towns since service was ordered west of Laramie City up to the time (November 1) that it was extended to Bryan, its present terminus.

I send this on the account of the post office at Point of Rocks not being opened when that was the terminal point, and the Benton office being since closed.

Service was performed to Laramie City up to August 10, and will probably be reported from that office, and since November 1 service has been performed to Bryan.

Bryan is within one-fourth of a mile of the old stage station of Lone Tree, marked on the enclosed card of Wells, Fargo & Co. Distance by stage road, Bryan to Bridger, 51 miles; Bridger to Bear river, (Gilmer post office,) 32 miles; Bear river to Salt Lake, 92 miles; Bryan to Salt Lake, 175 miles. By rail the distance will be somewhat less. I have been detained at Omaha for one week in attendance before the grand jury and the United States court on the case of the postmaster at Lincoln. This case has now been put over to the adjourned term of said court, and I leave to-night for Bryan and Bear river (Gilmer post office) to investigate mail depredations on the overland and look after the transfer at Bryan, &c.

Most respectfully, yours,

D. B. BALL,
Special Agent Post Office Department.

HON. GEO. W. MCLELLAN,
Second Assistant Postmaster General.

No. 137.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 24, 1868.

SIR: I enclose a copy of a letter addressed by this office, on the 19th instant, to C. P. Huntingdon, vice-president of Central Pacific Railroad Company, requesting that the department be informed of the extension of the road, and that suitable persons be nominated as postmasters at the points to which it may from time to time be extended.

No reply to the department's letter having been received, nor any official information given of a recent extension of the road reported in the newspapers to a point called Argenta, you are requested to call on Mr. Huntingdon and endeavor to obtain and communicate to this office the desired information.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

JAMES KELLY, Esq.,
Postmaster, New York, N. Y.

No. 138.

OFFICE OF WELLS, FARGO & CO., STAGE DEPARTMENT,
New York, November 27, 1868.

SIR: Yours of November 20th, covering extracts from letter of the postmaster at Salt Lake, and from report of Special Agent J. W. Clampitt, esq., was received by due course of mail.

You will doubtless remember that no permanent arrangement was made by the department with our company for the transportation of the overland mails until the 22d of October; that up to that time, at the request of the department, we were transporting the mails from day to day without any certainty on our part that a permanent contract would be made with us. This state of uncertainty prevented us from having the requisite amount of stock and coaches placed upon the line to enable us to keep the road clear of mails, which had increased about five times in weight and bulk up to about October 15.

However, when finally the matter was definitely settled that we were to carry the mails, it took us some few days to put the necessary equipment on; during this time the paper mail accumulated. Our instructions to our agents were, first, to send the letter mails forward with all speed, then to move the paper mails as fast as possible; this was done, but in doing it our men, in their anxiety to clear the road of the accumulated and accumulating matter, overloaded our coaches, and as a matter of course the mails were not transported in as good a shape as they would otherwise have been. In addition to this, we have been and are now laboring under serious difficulties, caused by the detention of mails on the Union Pacific railroad. Frequently two and three days' mails are delivered to us at the end of the railroad in one day. This necessarily produces an accumulation of mail which we cannot at once dispose of; for we cannot be expected to keep on hand an extra amount of stock to meet these emergencies, while for two or three trips we are compelled to run empty. We have ample stock on the line to move all mails that are delivered to us regularly. I might here state that the mail delivered to us is not in proper shape for safe transportation by coach; the paper matter is put in jute sacks, which the department well know is not strong enough to make the trip, as the slightest dampness or chafing destroys them. Then, too, it is the habit of postmasters, to a great extent, to send off their oldest and rottenest leather sacks, in order that they may be rid of them; many of these are so worn that they are not fit or safe to stand the coach journey. If good *strong leather* sacks are used altogether for both paper and letter matter the department will hear of no wet or damaged matter in our charge. It is our intention to live up *fully* to our contract, and we mean that our agents shall do so also; and to give the department some idea of the closeness with which we follow up this matter, I enclose you copies of instructions issued and constantly kept before our agents. The department may rest assured that no expense or care on our part shall be lacking that will tend to expedite the safe and prompt transportation of the overland mails.

Yours, truly,

GEO. K. OTIS,
Secretary of Wells, Fargo & Co.

HON. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 139.

Copies of instructions given to agents Wells, Fargo & Co.

November 14.—To James I. Tracy: "Are your mails accumulating at any point? They must not."

November 16.—To James I. Tracy: "Why does your mail accumulate? The mail must not be crowded out by passengers or express."

November 16.—Letter to the same, includes copy of above telegram, and adds: "The mails must be first thought of, and then if you can carry passengers, so much the better; but the mail must go. You must not allow anything to accumulate on your hands."

November 21.—Telegram to same: "Postmasters at Salt Lake and Clampitt report to the department a large accumulation of mail at Salt Lake and other places. That mail arrives wet; many sacks torn; many lost on route. The mail must be carried to the satisfaction of postmaster at Salt Lake and Clampitt. You must carry mail promptly and in good condition if it crowds everything else out."

November 21.—To W. H. Cotrill, mentions the complaints made, and says the matter "must be remedied at once. Employ good men at all points. The mails must go forward promptly and in good order."

November 21.—Letter to James I. Tracy: "The charges" above referred to "are serious, and if true, a disgrace to every man who has anything to do with the management of our lines. Nothing of the kind must occur again. The mail must be carried promptly and safely even if they crowd out everything else. Wells, Fargo & Co. mean to do all they have contracted to do, and to carry the mails without delay or damage. If the railroad delay mails for two or three days, and then turn over to us the whole amount, we cannot be expected to carry it all at once. If mails are delivered to us regularly every day at the railroad, those mails must and shall be carried forward promptly.

"When accumulation of mails occurs at any point, through delays on the railroad, do not allow them to grow, but pick them up as soon as possible. An extra coach occasionally may be needed in such cases, but never let more than one load accumulate. Mails must be our first thought, and if necessary displace everything else. Bearing this in mind, you had better place extra teams at proper points, so that when necessary extras may be run."

November 24.—Letter to agent at Bryan City, (end of railroad:) "Whenever the railroad fails to deliver to you the regular daily mail, and also whenever they deliver two or three days' mail at once, as has been done of late, you must report at once to us by telegraph, stating weight of mail received, whenever it is for more than one day. When the railroad delivers the mail for two or three days at once, it is evident that we cannot take that accumulated mail and carry it forward without delay, which we could do if we received it regularly every day. We hear now of accumulation of mail at various points, and cannot tell, without such reports as we wish from you, how far it is our fault, or how much of the blame belongs to the railroad company."

November 24.—Telegram to J. I. Tracy: "New complaints from department that bags of China mail reach Salt Lake wet, torn, and contents damaged; on no account must this happen again."

November 24.—Letter to J. I. Tracy: "We would call your attention to our letter, November 21, and emphasize every point in it."

Referring back to the time we assumed the carrying of the mails, we telegraphed October 21: "Use all means to have the mails forwarded promptly."

October 23.—"There must be no delay in forwarding the mails. If we cannot carry all with two dailies we must put on a third."

October 26.—"The mail must not accumulate."

No. 140.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 30, 1868.

GENTLEMEN: I acknowledge your favor of the 27th instant, enclosing copies of instructions to your agents, dated October 21, 23, and 26, and November 14, 16, 21, and 24, to use means to forward mails promptly on the overland route, and attributing your failure to place the requisite amount of stock and coaches on the route, complained of in the communications from the postmaster at Salt Lake City and Special Agent Clampitt, brought to your notice in my letters of the 20th and 21st instant, to the uncertainty on your part that a permanent contract would be made with you until the 22d of October.

It is well remembered that at the meeting of your directors and others at the Astor House, in New York, on the 22d October last, your company claimed it was carrying all the mails, and had been doing so since October 1, under a verbal arrangement with the Postmaster General, upon terms to be afterward agreed upon. The question then arose as to whether the contract to be entered into should date from the commencement of the quarter or a later period. Upon the statement of your Mr. Otis, that all the mails had been conveyed from the first, that your road was well stocked and had performed all the service required, it was agreed that the compensation of $1,750,000 should commence from the expiration of the old contract. Now, if the facts are as stated in your communication of the 27th instant, (which the department does not doubt,) your pay will be based upon the work you have performed and the manner in which you have performed it; deductions will be made for each and every day's failure to carry all the mails; and fines will be imposed for not properly protecting mail matter. It is to be regretted that, with all the care you have used to instruct your agents, they should be so unmindful of your orders, and that they were not more seasonably given.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

WELLS, FARGO & CO.,
New York, N. Y.

No. 141.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 30, 1868.

SIR: Wells, Fargo & Co., contractors for the transportation of the mails between the termini of the Union Pacific and Central Pacific railroads, complain to the department, under date of the 27th instant, that they labor under serious difficulties caused by the detention of mails on the Union Pacific railroad; that frequently two and three days' mails are delivered to them at the end of the railroad in one day, which they cannot at once dispose of without keeping on hand an extra amount of stock to meet such an emergency, after being compelled for two or three trips to run empty.

You are instructed to investigate this subject thoroughly, and use every means possible to insure the prompt and regular transmission of the mails on the railroad. The result of your investigation and your action you will report to this office by letter.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

D. B. BALL, Esq.,
Special Agent Post Office Department, Omaha, Nebraska.

No. 142.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 30, 1868.

SIR: Wells, Fargo & Co., contractors for the transportation of the mails between the termini of the Union Pacific and Central Pacific railroads, complain to the department, under date of the 27th instant, that they labor under serious difficulties, caused by the detention of mails on the Union Pacific railroad; that frequently two and three days' mails are delivered to them at the end of the railroad in one day, which they cannot at once dispose of without keeping on hand an extra amount of tocks to meet such an emergency, after being compelled for two or three trips to run empty.

Your attention is earnestly invited to this subject, with the hope that you will use every means possible to insure the prompt and regular transmission of the mails on the railroad.

Please acknowledge the receipt of this letter.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

OLIVER AMES, Esq.,
President Union Pacific Railroad Co., Easton, Mass.

No. 143.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 27, 1868.

SIR: The department having made an arrangement with Wells, Fargo & Co. for the transportation of the overland mail between the termini of the Union Pacific and Central Pacific railroads, with the understanding that their compensation shall be reduced *pro rata* for every 50 miles of railroad completed and reported to the department ready to carry the mails, I wrote you on the 19th instant, urging the importance of notifying the department promptly of the completion of every additional 25 miles or more of the Union Pacific railroad, and nominating a suitable person for postmaster at the terminus, so that the mails might be immediately placed upon the railroad and the stage service curtailed. The department is yet without official notice of any extension of the railroad beyond Bryan, 857 miles west of Omaha, to which point it was in operation on the 1st instant.

The object of this communication is to inquire whether the road is extended beyond Bryan, and, if so, why the mail is not conveyed to its terminus and the necessary notification furnished to the department.

The consequences of persistent neglect on the part of the railroad company to respond to the department's reasonable request will be deemed by the Postmaster General to be of sufficient importance to justify him in calling the attention of Congress to the subject.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

Hon. E. H. ROLLINS,
Agent Union Pacific Railroad Company,
Ebbitt House, Washington, D. C.

No. 144.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, November 27, 1868.

SIR: The department, having made an arrangement with Wells, Fargo & Co. for the transportation of the overland mail between the termini of the Union Pacific and Central Pacific railroads, with the understanding that their compensation shall be reduced *pro rata* for every 50 miles of railroad completed and reported to the department ready to carry the mails, I wrote the Hon. E. H. Rollins, agent of the Union Pacific Railroad Company, on the 19th instant, urging the importance of notifying the department promptly of the completion of every additional 25 miles or more of that road, and nominating a suitable person for postmaster at the terminus, so that the mails might be immediately placed upon the railroad and the stage service curtailed. The department is yet without official notice of any extension of the railroad beyond Bryan, 857 miles west of Omaha, to which point it was in operation on the 1st instant.

The object of this communication is to inquire whether the road is extended beyond Bryan; and if so, why the mail is not conveyed to its terminus and the necessary notification furnished the department.

The consequences of persistent neglect on the part of the railroad company to respond to the department's reasonable request, will be deemed by the Postmaster General to be of sufficient importance to justify him in calling the attention of Congress to the subject.

Respectfully, &c.,

GEO. W. McLELLAN,
Second Assistant Postmaster General.

Hon. OLIVER AMES,
President Union Pacific Railroad Company, Easton, Mass.

No. 145.

POST OFFICE, NEW YORK,
November 27, 1868.

SIR: In answer to your letter of the 24th instant, enclosing copy of your letter to C. P. Huntingdon, vice-president of the Central Pacific railroad, requesting us to call upon Mr. Huntingdon and obtain information as regards the extension of the road to a point called "Argenta," I beg leave to state that Mr. Huntingdon sent by mail the communication from the department to the president of the Central Pacific railroad in California, he being the only competent authority for the desired information. Mr. Huntingdon will telegraph to-day for the president to answer by telegraph the department.

I have the honor to be, very respectfully, your obedient servant,

JNO. W. NORTON,
Assistant Postmaster.

Hon. GEO. W. McLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 146.

UNION PACIFIC RAILROAD COMPANY,
20 Nassau street, New York, December 2, 1868.

DEAR SIR: Your letter of November 27th is received. This company's road has not been open for business west of Bryan. As soon as a station is established west of Bryan the department will be promptly notified and a suitable person nominated for postmaster.

Respectfully,

OLIVER AMES, *President.*

Hon. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 147.

[Telegram.—Dated Salt Lake, December 2, 1868.—Received at Washington, December, 1868.]

G. W. MCLELLAN, *Second Assistant Postmaster General:*

Union Pacific railroad completed 90 miles west of Bryan, of which 60 miles is accepted by the commissioners. Total accepted 920 miles.

Durant is now in New York. He should order up the mail service. More by letter.

JNO. W. CLAMPITT,
Special Agent Post Office Department.

No. 148.

OMAHA, NEBRASKA, *December* 2, 1868.

SIR: I have just returned from a trip west as far as Bear river, (Gilmer post office,) 92 miles east of Salt Lake City, and would respectfully report that the facilities of Wells, Fargo & Co. for the transportation of the mail from Bryan to Salt Lake are utterly inadequate for the service. Only two four-horse hacks are provided for the conveyance of mail, express, and passengers.

I learned from a reliable source that from the time the trains first carried the mail to and from Bryan (October 25) to November 28, a quantity had always been piled in front of Wells, Fargo and Co.'s office at that place, (Bryan.)

On the 27th of November I saw at their office at Bryan the passengers and some ten hundred of express loaded, and some thirty hundred pounds of paper mail left over, and not sent that day; and on November 30 I saw several brass-lock pouches lying in front of their office that had lain over. This mail lies on the street (letter and paper) day after day and week after week, both day and night, entirely unprotected, and this in a country where plunder and robbery are of usual occurrence. How much was stolen there is not known. On November 15 some six thousand pounds of paper mail lay piled in an open stock yard at head of Echo cañon, about 70 miles this side of Salt Lake City. This mail was unloaded from a mail train on or about November 12. When sent out I have not yet learned.

I would further report that very little care is taken of mail while in transit; that it is hung under the hack, placed in between the body and running work; letter mail in rear boot, &c. This will be seen by the following list of pouches which have been picked up:

October 27. J. Faranger picked up one brass lock pouch; destination not noticed; found west of Berris ranch, and delivered to James Gilchrist, agent Wells, Fargo & Co., at Bridger.

October 28. One canvas sack brought to station at Bridger; found in creek near by; papers opened and read at station.

October 31. One brass lock pouch for Sacramento, picked up by George Childs; delivered to postmaster at Bridger.

November 16. One brass lock pouch found west of Kentless, by Thomas Bennett.

November 16. One brass lock pouch for San Francisco, near Hooper's ranch; dated New York, November 9th.

November 17. One canvas pouch for Portland, Oregon; brought to Gilmer; sack destroyed; contents placed in grain sack and forwarded to Salt Lake.

November 19. One iron lock pouch brought to Gilmer post office. Three other brass lock pouches brought to Gilmer during the month of November, picked up at different times and forwarded to destination. Several others have been brought in to different offices and stations, of which I have not the particulars; and how many more have been cut open, rifled, and concealed, we cannot tell, as although an accurate record is kept of all mail each way, yet no one day's mail west goes through direct by itself, but is mixed with others at times, several tons being accumulated at Bryan.

I hope, however, in a few days to be able to give the account from the time mail was resumed after the stoppage, October 12, to some day when the back mails are all sent forward from Bryan.

One brass lock pouch which left New York November 2, and Bryan November 9 or 10, for San Francisco, was, as near as I can make out, lashed to the running gear of the hack, and one end becoming loose was dragged in that condition until the pouch was burst open and the contents scattered along the route; a few of the letters were picked up and were turned into the post office at Salt Lake, and many others were picked up by travellers, but were nearly all rifled before they reached any post office or any agent of the department. I have a portion of them, and Mr. Clampitt another portion of them.

There are strong indications that agents of Wells, Fargo & Co., or their employés, had a hand in rifling these letters, but I have been unable so far to get sufficient proof to warrant an arrest.

On or about October 10 a brass lock pouch was found east of and near Green river, cut open, but the few letters left in the pouch were not rifled. This pouch was addressed to New York, and was turned into the post office at Green river and forwarded in canvas sack, sealed.

In regard to cases Nos. 13,058, 13,684, and 13,685, but little information can be obtained, as the people in that part of the country all or nearly all emigrated and cannot be found. All that can be done in this class of cases, that I can see, is to take such steps as will prevent a recurrence.

For that purpose I would suggest that such steps be taken with Wells, Fargo & Co. as will insure sufficient means of transportation between the two roads; and further, that as soon as another extension is made on the Union Pacific railroad, that route agents be run through to Salt Lake City on the coaches, provided that this can be done without extra expense for transportation.

I am in hopes that in a few weeks mail can be carried on the train of the Union Pacific railroad to within 80 miles (possibly 50) of Salt Lake City, and, with a chain of agents through to Salt Lake to see that the mail is not lost or stolen, I think greater security can be obtained than has been in the past.

Most respectfully submitted.

D. B. BALL,
Special Agent Post Office Department.

Hon. GEORGE W. MCLELLAN,
Second Assistant Postmaster General.

No. 149.

POST OFFICE DEPARTMENT, CONTRACT OFFICE,
Washington, December 3, 1868.

SIR: The department is notified by a special agent that the Union Pacific railroad is completed 90 miles west of Brian, and that 60 miles of this extension have been accepted by the commissioners.

The arrangement with Wells, Fargo & Co. for the transportation of the overland mail between the termini of the Union Pacific and Central Pacific railroads, making provision for a reduction of their pay *pro rata* for every 50 miles of railroad completed and reported to the department ready to carry the mails, the department begs leave respectfully to urge that the necessary arrangements for transporting the mails on the extended part of the Union Pacific railroad be made with the least practicable delay. An early answer is respectfully requested.

Your obedient servant,

GEORGE W. McLELLAN,
Second Assistant Postmaster General.

THOMAS C. DURANT, Esq.,
Vice-President and General Manager,
Union Pacific Railroad, Washington, D. C.

No. 150.

WASHINGTON, *December* 5, 1868.

SIR: I have the honor to acknowledge the receipt of your communication of the 3d instant, in relation to the transportation of the mails over the Union Pacific railroad.

Having been absent from New York during the past few days, I am not advised as to the present condition of the road west of Bryan.

I will embrace the earliest opportunity, on my return to New York this evening, to answer you more fully.

Very respectfully, your obedient servant,

THOS. C. DURANT,
Vice-President Union Pacific Railroad Company.

Hon. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.

No. 151.

POST OFFICE, NEW YORK, *December* 5, 1868.

SIR: In compliance with your instructions, I beg to herewith transmit a statement of the amount of mail matter sent overland from this office during the month of November.

	Locks.	Canvas.	Weight, in pounds.
San Francisco	64	403	29,782
Sacramento	56	172	9,918
Salt Lake City	85	90	8,348
Denver City	55	19	2,541
Portland, Oregon	....	79	4,311
Total	260	763	54,900

I have the honor to be, very respectfully, your obedient servant,

JOHN W. NORTON,
Assistant Postmaster.

HON. GEO. W. MCLELLAN,
Second Assistant Postmaster General, Washington, D. C.